2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUDITED

For the year ended December 31, 2015

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1 MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") of consolidated financial position and consolidated results of operations dated March 14, 2016, is intended to assist readers in understanding WSP Global Inc. (the "Corporation" or "WSP") and its business environment, strategies, performance and risk factors. This MD&A should be read together with the audited consolidated financial statements and accompanying notes of the Corporation for the year ended December 31, 2015. The Corporation's audited consolidated financial statements for the year ended December 31, 2015, have been prepared in compliance with International Financial Reporting Standards ("IFRS") as defined in the Handbook of the Canadian Institute of Chartered Professional Accountants and adopted by the International Accounting Standards Board ("IASB"). All amounts shown in this MD&A are expressed in Canadian dollars, unless otherwise indicated. All quarterly information disclosed in this MD&A is based on unaudited figures.

This MD&A focuses on the Corporation's 2015 full year results as well as on its fourth quarter results, covering the period from September 27, 2015, to December 31, 2015. The Corporation's second and third quarters always include 13 weeks. However, the number of weeks of the first and fourth quarters will vary as the Corporation has a statutory December 31 year-end.

In this MD&A, references to the "Corporation", "we", "us", "our" and "WSP" or "WSP Global" refers to WSP Global Inc. Depending on the context, this term may also include subsidiaries and associated companies.

2 NON-IFRS MEASURES

The Corporation reports its financial results in accordance with IFRS. However, in this MD&A, the following non-IFRS measures are used by the Corporation: net revenues; adjusted EBITDA; adjusted EBITDA margin; adjusted EBITDA before Global Corporate costs; adjusted EBITDA margin before Global Corporate costs; adjusted net earnings (loss); adjusted net earnings (loss) per share; adjusted net earnings (loss) excluding amortization of intangible assets related to acquisitions; adjusted net earnings (loss) excluding amortization of intangible assets related to acquisitions per share; acquisition and reorganization costs; backlog; funds from operations; funds from operations per share; free cash flow; free cash flow per share; days sales outstanding ("DSO") and net debt to adjusted EBITDA. These measures are defined at the end of this MD&A, in the "Glossary" section.

Management of the Corporation ("Management") believes that these non-IFRS measures provide useful information to investors regarding the Corporation's financial condition and results of operations as they provide key metrics of its performance. These non-IFRS measures are not recognized under IFRS, do not have any standardized meaning prescribed under IFRS and may differ from similar computations as reported by other issuers, and accordingly may not be comparable. These measures should not be viewed as a substitute for the related financial information prepared in accordance with IFRS.

3 CORPORATE OVERVIEW

As one of the world's leading professional services firms, the Corporation provides technical expertise and strategic advice to clients in the property & buildings, transportation & infrastructure, environment, industry, resources (including mining and oil and gas) and energy sectors. The Corporation also offers highly specialized services in project delivery and strategic consulting. Experts include engineers, advisors, technicians, scientists, architects, planners, surveyors and environmental specialists, as well as other design, program and construction management professionals. With approximately 34,000 people in 500 offices across 40 countries, the Corporation is uniquely positioned to deliver successful and sustainable projects under its WSP and WSP | Parsons Brinckerhoff brands.

The Corporation's business model is centered on maintaining a leadership position in each of its end markets and the regions in which it operates by establishing a strong commitment to and recognizing the needs of surrounding communities, local and national clients. Such a business model translates into regional offices with a full service offering throughout every project execution phase. The Corporation has the breadth of capability and the depth of expertise to transform clients' visions into realities that are sustainable in every sense – commercially, technically, socially and environmentally.

Functionally, market segment leaders work together with regional leaders to develop and coordinate markets served, combining local knowledge and relationships with nationally recognized expertise.

The Corporation offers a variety of project services throughout all project execution phases, from the initial development and planning studies through to the project/program management, design, construction management, commissioning and maintenance phases.

The Corporation has developed a multidisciplinary team approach whereby employees work closely with clients to develop optimized solutions on time and on budget. The market segments in which the Corporation operates: property & buildings, transportation & infrastructure, environment, industry, resources (including mining, oil and gas) and power &energy are described below.

- **Property & buildings:** the Corporation is a world-leading provider of management and technical consultancy for the property sector with an unrivalled track record in delivering buildings of the highest quality that meet the needs of investors, developers, owners and occupiers in every sector. It is involved in every stage of a project's life-cycle, from the earliest planning stages through design and construction, to asset management and refurbishment. The Corporation's core services include the disciplines of structural and mechanical, electrical, and plumbing (MEP) engineering, supplemented by a wide range of specialist services such as fire engineering, lighting design, vertical transportation, acoustics, intelligent building systems, AV/IT, facade engineering, and green building design. Building specialists are supported by experts in civil engineering, environment, infrastructure and transportation. Our technical experts offer a truly multidisciplinary service to the property sector.

- **Transportation & infrastructure:** Aging and growing populations, rapid urbanization and greater demand for connectivity: governments around the world require more resilient and sustainable urban and transport infrastructure. A country's economy and quality of life also depend on well-run and maintained infrastructure and systems. The Corporation's experts plan, analyze, design and manage projects for rail, transit, aviation, bridges, tunnels, highways, ports, roads and urban infrastructure. Public and private sector clients and partners from around the world seek their expertise to help create mid and long-term transport and infrastructure strategies and to provide guidance and support throughout the life cycle of a wide range of projects.

- **Environment:** In the face of climate change, the need to maintain a balance between human needs and environmental impact has become more crucial than ever. Companies are changing the ways they operate in light of heightened environmental awareness, public concerns about sustainable development and stringent environmental protection laws and regulations. The Corporation has specialists working with and advising businesses and governments in all key areas of the environment sector. These experts deliver a broad range of services covering air, land, water and health, and advise and work with clients on a range of environmental matters from risk management, permitting authorizations and regulatory compliance to handling and disposal of hazardous materials, and employees' health and safety.

- **Industry:** The Corporation works in almost every sector from food and beverages to pharmaceutical and biotechnology, and from chemicals to power & energy. The Corporation's specialists offer a unique blend of skills with a deep understanding of industrial and energy processes, and the engineering expertise required to plan, design, build and operate a new plant, or to automate equipment in an existing industrial facility. Experts offer a full range of consulting and engineering services within multiple disciplines that span all stages of a project – from strategic studies, concept design and productivity analysis to serving as an owner's engineer at each stage of an engineering, procurement, and construction management (EPCM) contract. Whatever the scale of operations, experts can help clients maximize assets, devise solutions to improve safety standards and productivity, and translate the latest innovations and industrial processes into workable designs.

- **Resources (including mining, oil and gas):** the Corporation has the scale and expertise to support resource clients wherever they operate in the world and whether they are the largest firms or smaller exploration companies. In the mining sector, clients come to the Corporation for its expertise and support. Experts work with clients throughout the project life cycle – from conceptual and feasibility studies to addressing social acceptance issues; and from detailed engineering and complete EPCM to site closure and rehabilitation. The Corporation's expertise runs deep and spans everything, including resource and reserve modelling, metallurgical testing, geotechnical and mine design and detailed engineering for mining Infrastructure. The Corporation helps oil and gas clients with some of the most demanding challenges in the oil & gas sector, both technical and logistical. Experts advise clients on how to plan, design and support the development of pipelines and gas networks, as well as how to ensure the integrity of critical assets and obtain the necessary permits and consents. The Corporation's oil & gas team also has the proven flexibility and manpower to handle client EPCM requirements across all stages of the project life cycle. The broad scope includes projects in sectors such as carbon capture and storage, gas compression and storage, gas processing and treating, metering and automation, oil and steam assisted gravity drainage (SAGD), power generation, pipelines, well-sites and tie-ins.

- **Power & Energy:** The Corporation is committed to a sustainable future and offers its energy sector clients complete solutions for all aspects of their projects, whether they are large-scale energy plants, smaller on-site facilities or retrofitting and efficiency programs. Experts can advise and work on every stage of a project – from pre-feasibility to design, operation and maintenance and decommissioning. They offer long-term operational management support services from the first feasibility studies, providing advice on aspects ranging from technical, financial and environmental issues to engineering design and energy simulations during the construction phase.

In addition to these sectors, the Corporation offers highly specialized project delivery and strategic services:

- **Project Delivery:** Leveraging their extensive experience in global project delivery, the Corporation's seasoned professionals assess and understand client goals as well as technical, environmental and commercial issues, which allows them to plan and implement projects efficiently, with a focus on cost, schedule, quality and safety. The Corporation's fully integrated service offerings are tailored to clients' needs. Employees include highly qualified engineers, architects, designers, technicians, planners and surveyors with experience in a wide range of sectors at a global level. We can therefore provide the right team to execute projects of any size and complexity with optimum efficiency and cost-effectiveness. Our comprehensive experience enables us to plan and manage projects using proven best practices.

- **Strategic Consulting:** Changing economic conditions, evolving government priorities, and emerging technologies are among the challenges faced by organizations today. To stay competitive and effectively manage their Infrastructure and property assets, organizations need to gain access to more refined data and "lessons learned" from experts who support clients around the globe. The Corporation not only provides sector understanding locally, but also offers international benchmarks and best practice solutions through our extensive worldwide experience. Our team blends the technical skills of our global network with results-oriented business acumen. The Corporation offers strategic consulting throughout facility life cycles, from start-up to maturity, with a particular emphasis on our core markets of property & buildings, transportation & infrastructure, industry and power & energy.

4 PERFORMANCE METRICS

The Corporation uses a number of segmental and consolidated financial metrics to assess its performance. The table below summarizes our most relevant key performance metrics by category. The calculated results and the discussion of each indicator follow in the subsequent sections.

Category	**Performance Metric**	**Q4 2015 vs Q4 2014**	**YTD 2015 vs YTD 2014**
Growth:	Net Revenues*	🟢	🟢
	Organic growth - a measure of net revenues growth in local currency/ies. The Corporation believes it is helpful to adjust net revenues to exclude the impact of foreign currency fluctuations in order to facilitate comparable period operating segment business performance.	🟢	🟢
	Backlog*	🟢	🟢
Profitability:	Adjusted EBITDA*	🟢	🟢
	Adjusted EBITDA margin* ①	🔴	🔴
	Adjusted EBITDA before Global Corporate costs*	🟢	🟢
	Adjusted EBITDA margin before Global Corporate costs*	⚫	⚫
	Adjusted net earnings*	🔴	🟢
	Funds from operations*	🟢	🟢
	Free cash flow*	🟢	🟢
Liquidity:	Cash flows from operating activities – a measure of cash generated from our day-to-day business operations.	🟢	🔴
	DSO*	🟢	🟢
	Net Debt to adjusted EBITDA* ratio – a measure of financial leverage	🟢	🟢

** Non-IFRS measures are described in the "Glossary" section. Reconciliations to IFRS measures can be found in sections 7.2, 7.6, 7.10, 7.11 and 8.4*

①:Adjusted EBITDA margin lower compared to prior year (Q4 and year-to-date) due to an unfavourable project mix stemming from our Canadian operating segment and higher group costs, due, in part, to the acquisition of Parsons Brinckerhoff in Q4 2014.

🟢 Favourable
⚫ Stable
🔴 Unfavourable

5 Q4 AND FISCAL 2015 FINANCIAL RESULTS HIGHLIGHTS

- For the quarter, revenues and net revenues of $1,660.1 million and $1,248.2 million, up 43.3% and 45.3%, respectively, mainly as a result of acquisitions. Global organic growth of 0.8% on a constant currency basis; excluding the anticipated contraction experienced by the western Canadian oil & gas sector, global organic growth stands at 5.3%.
- For the year, revenues and net revenues of $6,064.0 million and $4,486.8 million, up 108.9% and 90.9%, respectively, mainly as a result of acquisitions. Global organic growth of 3.2% on a constant currency basis; excluding the anticipated contraction experienced by the western Canadian oil & gas sector, global organic growth stands at 7.8%.
- Adjusted EBITDA of $124.0 million for the quarter and $441.5 million for the year, up $33.9 million or 37.6% and $188.0 million or 74.2%, respectively. Adjusted EBITDA margins are 9.9% for the quarter and 9.8% for the year.
- Adjusted net earnings, at $32.4 million, or $0.33 per share for the quarter, down 21.0% and 36.5%, respectively. The decrease in absolute dollars and on a per share basis due mainly to tax adjustments pertaining to prior years and unrecognized tax benefits. For the year, adjusted net earnings were $172.8 million, or $1.87 per share, up 46.4% and 1.6%, respectively.
- Net earnings attributable to shareholders at $14.7 million, or $0.15 per share for the quarter, compared to loss of ($7.9) million, or ($0.10) per share for Q4 2014. For the year, net earnings attributable to shareholders at $188.8 million, or $2.05 per share, up 200.6% and 109.2%, respectively.
- Backlog at $5,199.7 million representing approximately 9.6 months of revenues, up $308.1 million or 6.3% compared to Q3 2015, and up $1,264.6 million or 32.1% compared to Q4 2014. On a constant currency basis, backlog organic growth was 9.4% year over year.
- For fiscal 2015, funds from operations and free cash flow were $321.1 million and $197.0 million, up 139.3% and 9.1%, respectively. Cash flows from operating activities were $218.0 million for the quarter and $203.8 million for the year.
- DSO stood at 76 days, an 11 day improvement compared to the prior quarter and a 1 day improvement compared to Q4 2014.
- Quarterly dividend declared of $0.375 per share, with a 50.7% Dividend Reinvestment Plan (“DRIP") participation.
- Net debt to adjusted EBITDA ratio at 1.8x; incorporating full 12 month adjusted EBITDA for all acquisitions, the ratio was at 1.7x.
- Anticipated integration costs and matching synergy savings related to the Parsons Brinckerhoff acquisition now estimated at approximately US$50.0 million.

6 Q4 AND FISCAL 2015 REVIEW

More than a year after the transformational acquisition of Parsons Brinckerhoff, and with seven more acquisitions totalling investments of over $500.0 million in 2015, we stand stronger and are well positioned for the future. The significant drop in crude oil prices and the economic slowdown experienced by Asian markets in the latter half of the year did have an impact on our overall 2015 financial performance. Nevertheless, the resiliency of our geographically diverse revenue stream business model, combined with our market diversification and cost synergies enabled us to attain most of our key 2015 financial targets.

The following are some of the major financial achievements and strategic initiatives that contributed to our solid 2015 financial performance and overall strong financial condition:

- **Continuous profitability:** We ended 2015 with a 90.9% growth in net revenues, a 74.2% increase in adjusted EBITDA and a 46.4% increase in adjusted net earnings, compared to 2014.

- **Organic Growth:** We posted 3.2% in organic growth in net revenues. Excluding the anticipated contraction experienced by the western Canadian oil & gas sector, global organic growth stood at 7.8%.

- **Growth through acquisitions:** Acquisitions completed in 2014 and 2015 contributed approximately $1,700 million or 77.9% (on a constant currency basis) to the increase in our net revenues in 2015, compared to 2014. We strengthened our presence in the United States, the United Kingdom, the Nordics, the Middle East, South Africa, Asia Pacific and Canada.

- **Growth in backlog:** Our backlog grew 32.1% from $3,935.1 million as at December 31, 2014, to $5,199.7 million as at December 31, 2015. On a constant currency basis, we posted organic growth of 9.4% year over year.

- **Strong balance sheet and liquidity:** Our balance sheet remains strong with a net debt to adjusted EBITDA ratio of 1.8x. Cash flows from operating activities amounted to $203.8 million in 2015. During the year, we increased our senior secured revolving credit facility from US$800.0 million to US$1,000.0 million, at more favourable terms, and extended the maturity by one year to December 2019.

- **Disposition of equity investment in associates:** During the year the Corporation sold its equity investments in two associates, Multiconsult AS ("Multiconsult") and Link Arkitektur AS ("Link Arkitektur") for net proceeds of $93.3 million. The proceeds were used, in part, for acquisitions made during the year in entities which the Corporation controls fully.

- **Integration of Parsons Brinckerhoff**: We met or exceeded most of the ambitious targets we established pertaining to the acquisition of Parsons Brinckerhoff on October 31, 2014, notably:

  We diversified our product offering and geographical revenue stream;

We strengthened our technical expertise in transportation & infrastructure, property & buildings and energy sectors and generated revenue synergies;

We over-delivered on our anticipated costs synergies throughout 2015 and will generate additional property cost synergies in 2016;

We improved adjusted EBITDA margin in most of the legacy Parsons Brinckerhoff regions, specifically in the US, UK and Australia;

We delivered adjusted EPS accretion; and

We maintained our net debt to adjusted EBITDA level within our 1.5-2.0x target range

The Parsons Brinckerhoff acquisition elevated WSP as a major player in transportation & infrastructure and energy sectors, transforming it into one of the world's largest global pure-play engineering services firms.

- **Integration of MMM Group Limited ("MMM"):** The integration of MMM provided our Canadian operations the opportunity to restructure its operations around national market segments and adopt best practices to improve overall collaboration and performance**.**

Operational Review

The Corporation's reportable segments are based on its geographic delivery model: Canada, Americas (US and South America), EMEIA (Europe, Middle East, India and Africa) and APAC (Asia Pacific, comprising mainly Asia and Australia).

Our EMEIA operating segment delivered strong organic growth in net revenues of 9.0% for the quarter, led by our Swedish and UK regions, which posted organic growth in net revenues of 13.0% and 6.7%, respectively.

Our Nordics region performed admirably in 2015. With over 3,200 employees we are a leading player in this region. Activity in transportation & infrastructure was particularly strong and the integration of the 3 acquisitions made during the year (Faveo Group ("Faveo"), Vicicom AB ("Vicicom") and FLK Sverige ("FLK")) is progressing well.

The UK delivered strong results in Q4 led by the transportation & infrastructure business unit. During the quarter, our UK team was appointed to provide railway systems designs and engineering services for the HS2, Phase 2 project; a contract worth £15.0 million over five years. Work began on the first 50 miles of track from Birmingham to Crewe in December 2015.

In the Middle East, economic headwinds impacted our top line growth in the latter half of 2015. The significant decline in crude oil prices and the political instability in the region have created a "wait and see" approach resulting in many projects being delayed or cancelled. Given the macro level economic uncertainties in the region, a work force right-sizing exercise was performed in Q4 leading to a headcount reduction of approximately 100 staff. The Corporation remains committed to the region and continues to win work on major projects such as the Palm Jumeriah, the world's largest man-made island and infrastructure mandates related to the upcoming 2020 Expo in Dubai and the 2022 World Cup of Soccer in Qatar.

For the quarter, the US region of our Americas operating segment posted a solid 6.7% organic growth in net revenues driven by the transportation & infrastructure and property & buildings sectors. In December 2015, the US government passed The Fixing America's Surface Transportation Act ("FAST") which authorized $305 billion in funding for federal surface transportation programs for fiscal years 2016 through 2020. Funding for the 2016 portion of the FAST Act was set at $58.2 billion; $3.6 billion or 6.6% above 2015 levels. The passing of this bill ended a long period of flat federal funding and provides for growth at a rate of 3.2% from 2015 to 2020 which bodes well for our US transportation & infrastructure business unit for the foreseeable future. Our property & buildings sector also experienced good organic growth in net revenues driven mainly by revenue synergies generated by healthcare-based edifices.

Excluding the anticipated year-long contraction experienced by the geomatics and oil & gas sectors, our Canadian operations delivered organic growth in net revenues of 3.5% for the quarter and 4.6% for the year. Quebec performed very well while Ontario benefited from the acquisition of MMM, which closed in October 2015.

The integration of MMM is progressing well and revenue synergies have already been generated as evidenced by the WSP | MMM Group Rail Transportation Department win of a Toronto Transit Commission (TTC) - construction management contract in late 2015. The five year contract is a full-time assignment for approximately 120 WSP | MMM engineering professionals.

The Canadian acquisitions of SPL Consultants Limited ("SPL"), and Caravel Investments Ltd. and Levelton Consultants Ltd., the wholly-owned subsidiary of Caravel Investments Ltd. (collectively ("Levelton"), earlier in the year, also enabled us to extend our earth environmental capabilities across Ontario and British Columbia with the addition of over 450 employees.

The APAC operating segment experienced a contraction of 5.4% in the fourth quarter of 2015. In Australia, the property and buildings, environment and transportation and infrastructure business units performed well, while the resources sector remained challenging. The winding down of a major contract in the resources sector, early in Q4 2015, contributed significantly to the contraction experienced in the region for the quarter, offsetting work from project wins from earlier in the year, notably the 155-kilometre Pacific Highway upgrade project win in Q1.

Asia experienced a significant decrease in economic growth during the second half of 2015. Hong Kong and Singapore experienced negative organic growth in net revenues and mainland China was flat in the last quarter of 2015. For the year, our APAC operations performed in line with our expectations.

7 FINANCIAL REVIEW

7.1 RESULTS COMPARED TO 2015 OUTLOOK

The 2015 target ranges, presented in the table below and in the Outlook section of the 2014 Annual MD&A, were prepared assuming no fluctuations in foreign exchange rates in which the Corporation operated during the course of the year. In addition, no consideration was given to any dispositions, mergers, business acquisitions and other transactions occurring after March 17, 2015, the date of publication. The Corporation met most of its critical 2015 outlook targets.

Measure	2015 Target range	Result
*Net revenues**	Between $4,100 million and $4,600 million	✓
*Adjusted EBITDA**	Between $390 million and $430 million	✓
Tax rate	Approximately 25%	✗
Seasonality and adjusted EBITDA fluctuations*	Between 20% to 29%, the first quarter being the lowest and the third quarter being the highest	✓
Free cash-flow as a % of net earnings*	>100%	✓
*DSO**	75 to 80 days	✓
Amortization of intangible assets related to acquisitions	Approximately $60 million	✓
Capital expenditures	Approximately $90 million	✓

* *Non-IFRS measures are described in the 'Glossary' section*

✓ *Target achieved excluding foreign exchange fluctuations and transactions occurring after March 17, 2015, the date of publication of the 2015 Outlook section in the 2014 Annual MD&A*

✗ *Target not achieved*

7.2 RESULTS OF OPERATIONS

(in millions of dollars, except number of shares and per share data)	Q4 2015 For the period from September 27 to December 31	Q4 2014 For the period from September 28 to December 31	YTD 2015 For the period from January 1 to December 31	YTD 2014 For the period from January 1 to December 31
Revenues	$1,660.1	$1,158.1	$6,064.0	$2,902.4
Less: Subconsultants and direct costs	$411.9	$299.3	$1,577.2	$552.5
Net revenues*	**$1,248.2**	**$858.8**	**$4,486.8**	**$2,349.9**
Personnel costs	$935.6	$644.7	$3,420.0	$1,762.8
Occupancy costs	$56.9	$42.0	$215.0	$124.4
Other operational costs(1)	$132.2	$84.7	$415.6	$219.8
Share of earnings of associates	($0.5)	($2.7)	($5.3)	($10.6)
Adjusted EBITDA*	**$124.0**	**$90.1**	**$441.5**	**$253.5**
Acquisition and reorganization costs*	$30.3	$61.8	$3.9	$69.8
Amortization of intangible assets	$21.4	$15.8	$75.8	$43.7
Depreciation of property, plant and equipment	$19.6	$12.1	$64.2	$33.8
Financial expenses	$2.2	$5.1	$35.0	$13.8
Share of depreciation of associates	$0.1	$0.6	$1.1	$2.4
Earnings before income taxes	**$50.4**	**($5.3)**	**$261.5**	**$90.0**
Income tax expenses	$36.0	$1.7	$71.8	$25.3
Share of tax of associates	-	$0.6	$1.1	$2.5
Net earnings	**$14.4**	**($7.6)**	**$188.6**	**$62.2**
Attributable to:				
- Shareholders	$14.7	($7.9)	$188.8	$62.8
- Non-controlling interests	($0.3)	$0.3	($0.2)	($0.6)
Basic net earnings per share	**$0.15**	**($0.10)**	**$2.05**	**$0.98**
Diluted net earnings per share	**$0.15**	**($0.10)**	**$2.05**	**$0.98**
Basic weighted average number of shares	99,109,839	79,109,987	92,280,269	64,023,625
Diluted weighted average number of shares	99,192,114	79,110,481	92,324,972	64,023,625

* *Non-IFRS measures are described in the 'Glossary' section*

(1) Other operational costs include operation exchange loss or gain and interest income

In sections 7.3 through 7.11, we review the year-over-year changes to operating results between 2015 and 2014, describing the factors affecting net revenues, backlog, expenses, adjusted EBITDA, adjusted EBITDA margin, adjusted EBITDA before Global Corporate costs and adjusted EBITDA margin before Global Corporate costs. Financial expenses, income taxes, net earnings (loss), adjusted net earnings (loss), adjusted net earnings (loss) excluding amortization of intangible assets related to acquisitions, funds from operations and free cash flow are also reviewed, on a consolidated level.

7.3 NET REVENUES

The Corporation's financial performance and results should be measured and analyzed in relation to fee-based revenues, or net revenues, since direct recoverable costs can vary significantly from contract to contract and are not indicative of the professional consulting services business.

The Corporation's reportable segments are based on its geographic delivery model: Canada, Americas (US and South America), EMEIA (Europe, Middle East, India and Africa) and APAC (Asia Pacific, comprising mainly Asia and Australia). The following table provides a summary of the year-over-year changes in net revenues and number of employees, both by segment and in total.

	Q4				
(in millions of dollars, except percentages)	**Canada**	**Americas**	**EMEIA**	**APAC**	**Total**
Net revenues* 2015	$248.5	$371.9	$468.5	$159.3	$1,248.2
Net revenues* 2014	$201.4	$200.6	$345.4	$111.4	$858.8
Net change %	**23.4%**	**85.4%**	**35.6%**	**43.0%**	**45.3%**
Organic Growth (Contraction)**	(14.1%)	6.2%	9.0%	(5.4%)	0.8%
Acquisition Growth**	37.5%	50.0%	17.6%	38.4%	32.9%
Foreign Currency Impact***	0.0%	29.2%	9.0%	10.0%	11.6%
Net change %	**23.4%**	**85.4%**	**35.6%**	**43.0%**	**45.3%**

* *Non-IFRS measures are described in the 'Glossary' section*

** *Organic growth and acquisition growth are calculated based on local currencies*

*** *Foreign currency impact represents the foreign exchange component to convert total net revenues in local currencies into Canadian equivalent amount, net of organic growth and acquisition growth*

(in millions of dollars, except number of employees and percentages)	YTD Canada	Americas	EMEIA	APAC	Total
Net revenues* 2015	$805.5	$1,356.5	$1,683.6	$641.2	$4,486.8
Net revenues* 2014	$689.1	$378.0	$1,084.5	$198.3	$2,349.9
Net change %	**16.9%**	**258.9%**	**55.2%**	**223.3%**	**90.9%**
Organic Growth (Contraction)**	(9.0%)	5.9%	10.7%	3.6%	3.2%
Acquisition Growth**	25.9%	208.3%	40.9%	203.9%	77.9%
Foreign Currency Impact***	0.0%	44.7%	3.6%	15.8%	9.8%
Net change %	**16.9%**	**258.9%**	**55.2%**	**223.3%**	**90.9%**
Approximate number of employees - 2015	8,300	7,600	12,600	5,500	34,000
Approximate number of employees - 2014	6,500	7,800	11,800	5,600	31,700
Net change %	**27.7%**	**(2.6%)**	**6.8%**	**(1.8%)**	**7.3%**

* *Non-IFRS measures are described in the 'Glossary' section*

** *Organic growth and acquisition growth are calculated based on local currencies*

*** *Foreign currency impact represents the foreign exchange component to convert total net revenues in local currencies into Canadian equivalent amount, net of organic growth and acquisition growth*

The Corporation ended the fourth quarter of 2015 with net revenues of $1,248.2 million, an increase of $389.4 million, or 45.3% compared to the same period in 2015. For the twelve months ended December 31, 2015, net revenues increased by $2,136.9 million or 90.9%.

The increase in net revenues, for both the quarter and year-to-date, was driven mainly by acquisitions. Organic growth was in line with expectations. Foreign exchange also had a positive impact.

7.3.1 CANADA

Net revenues from our Canadian operations were $248.5 million in the fourth quarter of 2015, an increase of $47.1 million, or 23.4% compared to the same period in 2014, mainly as a result of acquisitions. Excluding the anticipated contraction experienced by our western Canadian operations, notably in the geomatics and oil & gas sectors, organic growth in net revenues stood at 3.5%. Quebec and Ontario continued their recovery trend and posted combined organic growth of approximately 11% for the quarter.

For the twelve months ended December 31, 2015, net revenues from our Canada segment were $805.5 million, an increase of $116.4 million or 16.9% compared to the same period in 2014, driven by acquisitions. Excluding the anticipated contraction experienced by our western Canadian operations, notably in the geomatics and oil & gas sectors, organic growth stood at 4.6%.

7.3.2 AMERICAS

Net revenues from our Americas operating segment were $371.9 million in the fourth quarter of 2015, an increase of $171.3 million, or 85.4% compared to same period in 2014, mainly due to the acquisitions made in the latter half of 2014. Organic growth in net revenues, on a constant currency basis, was a solid 6.2%. The transportation & infrastructure and property & buildings sectors accounted for approximately 96% of net revenues.

For the twelve months ended December 31, 2015, net revenues from our Americas operations were $1,356.5 million, an increase of $978.5 million or 258.9%, compared to the same period in 2014. Organic growth in net revenues, on a constant currency basis, was strong at 5.9%. The transportation & infrastructure and property & buildings sectors accounted for approximately 91% of net revenues.

7.3.3 EMEIA

Net revenues from our EMEIA operating segment were $468.5 million in Q4 2015, an increase of $123.1 million, or 35.6% compared to Q4 2014. Acquisition growth accounted for 17.6% of total growth. Organic growth in net revenues, on a constant currency basis, was strong at 9.0%. The transportation & infrastructure & property and buildings sectors accounted for approximately 77% of net revenues.

For the twelve months ended December 31, 2015, net revenues from our EMEIA operations were $1,683.6 million, an increase of $599.1 million or 55.2%, compared to the same period in 2014. Organic growth in net revenues, on a constant currency basis, was a robust 10.7%. The transportation & infrastructure and property & buildings sectors accounted for approximately 77% of net revenues.

7.3.4 APAC

Net revenues from our APAC operating segment were $159.3 million in the fourth quarter of 2015, an increase of $47.9 million, or 43.0% compared to the same period for 2014. Acquisitions accounted for the bulk of the total growth. The segment experienced contraction of 5.4% as a result of economic slowdown experienced in the region as a whole, as well as due to the winding down of a major resource based project in Australia. The transportation & infrastructure and property & buildings sectors accounted for approximately 83% of net revenues.

For the twelve months ended December 31, 2015, net revenues from our APAC operations were $641.2 million, an increase of $442.9 million or 223.3%, compared to the same period in 2014. Organic growth in net revenues, on a constant currency basis, was 3.6%. The transportation & infrastructure and property & buildings sectors accounted for approximately 80% of net revenues.

7.4 BACKLOG

	Q4 2015				
(in millions of dollars)	Canada	Americas	EMEIA	APAC	Total
Backlog*	$957.3	$1,920.6	$1,441.4	$880.4	$5,199.7
Soft backlog	$420.4	$1,249.2	$471.1	$126.1	$2,266.8

** Non-IFRS measures are described in the 'Glossary' section.*

	Q3 2015				
(in millions of dollars)	Canada	Americas	EMEIA	APAC	Total
Backlog*	$626.6	$1,785.9	$1,581.5	$897.6	$4,891.6
Soft backlog	$276.1	$1,496.2	$415.8	$122.2	$2,310.3

** Non-IFRS measures are described in the 'Glossary' section.*

	Q4 2014				
(in millions of dollars)	Canada	Americas	EMEIA	APAC	Total
Backlog*	$584.7	$1,379.1	$1,309.0	$662.3	$3,935.1
Soft backlog	$296.8	$1,103.1	$617.0	$89.2	$2,106.1

** Non-IFRS measures are described in the 'Glossary' section*

As at December 31, 2015, backlog stood at $5,199.7 million, representing approximately 9.6 months of revenues, an increase of $308.1 million, or 6.3% compared to the third quarter of 2015 and an increase of $1,264.6 million, or 32.1% compared to Q4 2014. On a constant currency basis, backlog organic growth was 9.4% year over year.

In addition, the Corporation had a "soft backlog" of $2,266.8 million at the end of Q4 2015. The soft backlog relates to contracts for which the client has formally notified us of an award, where the value of work to be carried out may not have been specified or for which funding may not yet have been designated.

Due to the size of certain contracts and the time periods required to complete them, large fluctuations may arise when comparing this metric on a quarterly basis. Management believes that backlog should be viewed on a year-over-year basis, particularly when assessing organic growth at constant currency rates.

7.5 EXPENSES

The following table summarizes operating results expressed as a percentage of net revenues.

	Q4		YTD	
	2015	**2014**	**2015**	**2014**
(percentage of net revenues)	For the period from September 27 to December 31	For the period from September 28 to December 31	For the period from January 1 to December 31	For the period from January 1 to December 31
Net revenues*	100.0%	100.0%	100.0%	100.0%
Personnel costs	75.0%	75.1%	76.2%	75.0%
Occupancy costs	4.6%	4.9%	4.8%	5.3%
Other operational costs(1)	10.5%	9.8%	9.3%	9.4%
Share of earnings in associates	-	(0.3%)	(0.1%)	(0.5%)
Adjusted EBITDA*	9.9%	10.5%	9.8%	10.8%
Acquisition and reorganization costs*	2.4%	7.2%	0.1%	3.0%
Amortization of intangible assets	1.7%	1.8%	1.7%	1.9%
Depreciation of property, plant and equipment	1.6%	1.4%	1.4%	1.4%
Financial expenses	0.2%	0.6%	0.8%	0.6%
Share of depreciation of associates	-%	0.1%	-%	0.1%
Income tax expenses	2.9%	0.3%	1.6%	1.2%
Net earnings	1.1%	(0.9%)	4.2%	2.6%

** Non-IFRS measures are described in the 'Glossary' section*

(1) Other operational costs include operation exchange loss or gain and interest income

Expenses consist of three major components: personnel costs, occupancy costs and other operational costs. Personnel costs include payroll costs for all employees related to the delivery of consulting services and projects, as well as administrative and corporate staff. Other operational costs include fixed costs such as, but not limited to, non-recoverable client services costs, technology costs, professional insurance costs, operational exchange gain or loss on foreign currencies and interest income.

Personnel costs as a percentage of net revenues, for the quarter, were stable compared to Q4 2014. The increase in personnel costs as a percentage of net revenues, on a year-to-date basis compared to 2014, was mainly due to the blending of Parsons Brinckerhoff's administrative and corporate operations, which have a higher structural cost base, with WSP's administrative and corporate operations, and higher provisions related to the Corporation's long-term incentive plans.

The decrease in occupancy costs, as a percentage of net revenues, for both the quarter and year-to-date 2015 compared to 2014, was mainly due to global cost synergy initiatives.

For the quarter, the increase in other operational costs as a percentage of net revenues was due mainly to non-recoverable client services costs incurred for a specific project in the Middle East region. On a year-to-date basis, other operational costs, as a percentage of net revenues, were slightly better compared to the prior year as non-recoverable client services costs incurred for a specific project in the Middle East region were offset by global cost synergies.

Acquisition and reorganization costs are items of financial performance which the Corporation believes should be excluded in understanding the underlying operational financial performance achieved by the Corporation, as they can vary significantly when comparing periods.

For the quarter, the Corporation incurred costs of $25.4 million related to the on-going integration of businesses acquired over the last 18 months, as well as $1.9 million related to the reorganization of existing operations, and acquisition related costs of $3.0 million.

For the twelve-month period ended December 31, 2015, the Corporation incurred costs of $60.4 million related to the on-going integration of businesses acquired over the last 18 months, $7.6 million related to the reorganization of existing operations and $4.3 million in acquisition related costs. The costs were offset by a net gain of $68.4 million realized on the sale of the Corporation's equity investments in two associates (Multiconsult and Link Arkitektur).

Finally, the Corporation also incurs expenses such as amortization of intangible assets and depreciation of property, plant and equipment. For both the quarter and year-to-date periods, these expenses have remained stable compared to the same periods in 2014.

7.6 ADJUSTED EBITDA BY SEGMENT

	Q4 2015				
(in millions of dollars, except percentages)	**Canada**	**Americas**	**EMEIA**	**APAC**	**Total**
Net Revenues*	$248.5	$371.9	$468.5	$159.3	$1,248.2
Adjusted EBITDA*					$124.0
Global Corporate costs					$18.3
Adjusted EBITDA before Global Corporate costs*	$27.1	$65.4	$41.3	$8.5	$142.3
Adjusted EBITDA Margin before Global Corporate costs*	10.9%	17.6%	8.8%	5.3%	11.4%

** Non-IFRS measures are described in the 'Glossary' section*

	Q4 2014				
(in millions of dollars, except percentages)	**Canada**	**Americas**	**EMEIA**	**APAC**	**Total**
Net Revenues*	$201.4	$200.6	$345.4	$111.4	$858.8
Adjusted EBITDA*					$90.1
Global Corporate costs					$8.1
Adjusted EBITDA before Global Corporate costs*	$26.5	$23.3	$41.1	$7.3	$98.2
Adjusted EBITDA Margin before Global Corporate costs*	13.2%	11.6%	11.9%	6.6%	11.4%

** Non-IFRS measures are described in the 'Glossary' section*

(in millions of dollars, except percentages)	YTD 2015 Canada	Americas	EMEIA	APAC	Total
Net Revenues*	$805.5	$1,356.5	$1,683.6	$641.2	$4,486.8
Adjusted EBITDA*					$441.5
Global Corporate costs					$87.4
Adjusted EBITDA before Global Corporate costs*	$93.3	$211.8	$174.8	$49.0	$528.9
Adjusted EBITDA Margin before Global Corporate costs*	11.6%	15.6%	10.4%	7.6%	11.8%

** Non-IFRS measures are described in the 'Glossary' section*

(in millions of dollars, except percentages)	YTD 2014 Canada	Americas	EMEIA	APAC	Total
Net Revenues*	$689.1	$378.0	$1,084.5	$198.3	$2,349.9
Adjusted EBITDA*					$253.5
Global Corporate costs					$22.0
Adjusted EBITDA before Global Corporate costs*	$97.5	$47.1	$117.9	$13.0	$275.5
Adjusted EBITDA Margin before Global Corporate costs*	14.1%	12.5%	10.9%	6.6%	11.7%

** Non-IFRS measures are described in the 'Glossary' section*

The increase in total adjusted EBITDA, in dollars, for both Q4 and year-to-date 2015, was due to acquisitions, cost synergies and organic growth.

Stable consolidated adjusted EBITDA margins before Global Corporate costs for the quarter and year-to-date point to solid underlying business fundamentals.

The increase in adjusted EBITDA margin before Global Corporate costs for our Americas operating segment, for both the quarter and year-to-date, was mainly due to the blending of Parsons Brinckerhoff's US operations (which have a higher margin profile), with legacy WSP US operations. Recognition of legacy WSP R&D tax credits relating to prior years also contributed to the increase in adjusted EBITDA margin before Global Corporate costs.

The increase in adjusted EBITDA before Global Corporate costs for our Canada operating segment for the quarter was mainly due to acquisitions (SPL, Levelton and MMM). The decrease in adjusted EBITDA margin before Global Corporate, for the quarter, costs was mainly due to the contraction experienced by our western Canadian geomatics and oil & gas sectors, which historically generated stronger margins.

The decrease in adjusted EBITDA and adjusted EBITDA margin before Global Corporate costs for our Canada operating segment, on a year-to-date basis, was mainly due to the contraction experienced by our western Canadian geomatics and oil & gas sectors, which historically generated stronger margins.

The decrease in adjusted EBITDA margin before Global Corporate costs for the EMEIA operating segment for the quarter was mainly due to non-recoverable client services costs incurred for a specific project in the Middle East region. Our UK and Swedish operations both had very strong quarters due to the strengthening economy in the UK and higher utilization rates achieved in Sweden. On a year-to-date basis, adjusted EBITDA margin before Global Corporate costs was stable, compared to the prior year, and in line with our expectations.

The decrease in adjusted EBITDA margin before Global Corporate costs for the APAC operating segment for the quarter was mainly due to the combination of the winding down of a major contract in the resources sector, early in Q4 2015, in Australia, and a slowing and more competitive environment in Asia. On a year-to-date basis, adjusted EBITDA margin before Global Corporate costs was higher compared to the prior year, mainly as a result of higher utilization rates for most of the regions in the operating segment.

The increase in Global Corporate costs, for the quarter, was due to the acquisition of Parsons Brinckerhoff completed on October 31, 2014, increases in corporate litigation provisions, and an increase (based on target achievement probability levels) in provisions related to the Corporation's long-term incentive plans. Global Corporate costs, for the quarter, were in line with our expectations and representative of the expected future run-rate (pending foreign exchange fluctuations).

The increase in Global Corporate costs, on a year-to-date basis, was due to the acquisition of Parsons Brinckerhoff, increases in corporate litigation provisions, an increase (based on target achievement probability levels) in provisions related to the Corporation's long-term incentive plans, and the settlement, in our favour, of a legal claim in 2014.

Numerous factors such as seasonality, project mix, pricing, competitive environments, project execution, cost increases, foreign exchange, and employee productivity may have an impact on adjusted EBITDA margin before Global costs. As such, adjusted EBITDA margin before Global Corporate costs should be viewed as a year-over-year performance metric, as opposed to a quarter-over-quarter.

7.7 FINANCIAL EXPENSES

The Corporation's financial expenses relate mainly to interest expenses incurred on credit facilities, net finance expenses on pension obligations, exchange gains or losses pertaining to liabilities in foreign currencies and gains or losses on disposal of available-for-sale assets. The Corporation uses its credit facilities to manage its working capital and to finance business acquisitions.

Financial expenses expressed as a percentage of net revenues were lower for the quarter compared to 2014, mainly due to a foreign exchange gain pertaining to liabilities in foreign currencies incurred in Q4 2015, compared to a foreign exchange loss pertaining to liabilities in foreign currencies incurred in Q4 2014.

Financial expenses expressed as a percentage of net revenues were up year-to-date 2015, compared to 2014, due to a higher debt level maintained during the course of 2015, mainly as a result of financing acquisitions.

7.8 INCOME TAXES

For Q4 2015, an income tax expense of $36.0 million was recorded on earnings before income taxes of $50.4 million, representing an effective tax rate of 71.4%. When compared to the combined Canadian statutory tax rate of 26.9%, the effective tax rate reflects the unfavorable impacts of various non-deductible expenses, unrecognized tax benefits related to certain subsidiaries and other tax adjustments. In Q4 2014, the Corporation incurred an income tax expense of $1.7 million despite incurring a loss before taxes due mainly to unrecognized tax benefits related to its German operations.

For the twelve-month period ended December 31, 2015, an income tax expense of $71.8 million was recorded on earnings before income taxes of $260.4 million, representing an effective tax rate of 27.6%, comparable for the same period of 2014. When compared to the combined Canadian statutory tax rate of 26.9%, our effective tax rate reflects the impact related to a net non-taxable gain realized on the disposals of the Corporation's equity investments in two associates (Multiconsult and Link Arkitektur) and favorable foreign tax rate differences, offset by the unfavorable impacts of various non-deductible expenses, unrecognized tax benefits related to certain subsidiaries and other tax adjustments.

7.9 NET EARNINGS AND NET EARNINGS PER SHARE

The Corporation's net earnings attributable to shareholders for the fourth quarter ended December 31, 2015, were $14.7 million, or $0.15 per share on a diluted basis, respectively, compared to a loss of ($7.9) million or ($0.10) per share on a diluted basis for the same quarter in 2014.

For the twelve months ended December 31, 2015, net earnings attributable to shareholders were $188.8 million, or $2.05 per share on a diluted basis, compared to $62.8 million or $0.98 per share on a diluted basis for the same period in 2014.

Net earnings per share is a commonly used metric to measure a corporation's performance. However, management believes that in the context of highly acquisitive companies or consolidating industries such as in engineering and construction, adjusted net earnings per share, adjusted net earnings excluding amortization of intangible assets related to acquisitions per share (due to application of various accounting policies in relation to the allocation of purchase price to goodwill and intangible assets), funds from operations per share and free cash flow per share, are more effective measures to assess performance against its peer group. These measures are reviewed in sections 7.10 and 7.11.

7.10 RECONCILIATION OF NET EARNINGS (LOSS), ADJUSTED NET EARNINGS (LOSS) AND ADJUSTED NET EARNINGS (LOSS) EXCLUDING AMORTIZATION OF INTANGIBLE ASSETS RELATED TO ACQUISITIONS

	Q4		YTD	
	2015	**2014**	**2015**	**2014**
(In millions of dollars, except number of shares and per share data)	For the period from September 27 to December 31	For the period from September 28 to December 31	For the period from January 1 to December 31	For the period from January 1 to December 31
Net earnings attributable to shareholders	**$14.7**	**($7.9)**	**$188.8**	**$62.8**
Acquisition and reorganization costs*	$30.3	$61.8	$3.9	$69.8
Income taxes related to acquisition and reorganization costs	($12.6)	($12.9)	($19.9)	($14.6)
Adjusted net earnings*	**$32.4**	**$41.0**	**$172.8**	**$118.0**
Adjusted net earnings per share*	**$0.33**	**$0.52**	**$1.87**	**$1.84**
Amortization of intangible assets related to acquisitions	$17.0	$12.4	$60.6	$30.0
Income taxes related to amortization of intangible assets related to acquisitions	($6.0)	($2.6)	($16.7)	($6.3)
Adjusted net earnings excluding amortization of intangible assets related to acquisitions *	**$43.4**	**$50.8**	**$216.7**	**$141.7**
Adjusted net earnings excluding amortization of intangible assets related to acquisitions per share*	**$0.44**	**$0.64**	**$2.35**	**$2.21**
Basic weighted average number of shares	99,109,839	79,109,987	92,280,269	64,023,625

** Non-IFRS measures are described in the 'Glossary' section*

Adjusted net earnings attributable to shareholders per share stood at $0.33 per share for the quarter and $1.87 per share on a year-to-date basis, compared to $0.52 per share and $1.84 per share for the same periods in 2014. The decrease, for the quarter, was due mainly to tax related expenses. For the year, adjusted net earnings attributable to shareholders per share were stable, compared to same period in 2014.

Adjusted net earnings attributable to shareholders, excluding amortization of intangible assets related to acquisitions per share, stood at $0.44 per share for the quarter and at $2.35 per share on a year-to-date basis, compared to $0.64 per share and $2.21 per share for the same periods in 2014. Variations in adjusted net earnings attributable to shareholders, excluding amortization of intangible assets related to acquisitions per share, for both the quarter and year, were attributable to the same factors as variations related to adjusted net earnings attributable to shareholders (per share).

7.11 FUNDS FROM OPERATIONS AND FREE CASH FLOW

	Q4		YTD	
	2015	**2014**	**2015**	**2014**
(in millions of dollars, except per share data and number of shares)	For the period from September 27 to December 31	For the period from September 28 to December 31	For the period from January 1 to December 31	For the period from January 1 to December 31
Cash flows from operating activities	$218.0	$193.2	$203.8	$224.7
Excluding:				
Change in non-cash working capital items	($139.4)	($178.4)	$117.3	($90.5)
Funds from operations*	**$78.6**	**$14.8**	**$321.1**	**$134.2**
Funds from operations per share*	**$0.79**	**$0.19**	**$3.48**	**$2.10**
Including:				
Change in non-cash working capital items	$139.4	$178.4	($117.3)	$90.5
Cash generated from sale of equity investments	-	-	$93.3	-
Less:				
Net capital expenditures	($33.8)	($18.6)	($100.1)	($44.2)
Free cash flow*	**$184.2**	**$174.6**	**$197.0**	**$180.5**
Free cash flow per share*	**$1.86**	**$2.21**	**$2.13**	**$2.82**
Basic weighted average number of shares	99,109,839	79,109,087	92,280,269	64,023,625

** Non-IFRS measures are described in the "Glossary" section*

7.11.1 FUNDS FROM OPERATIONS

Funds from operations is a measure used by the Corporation to provide management and investors with a proxy of cash generated from operating activities before changes in non-working capital items.

For the fourth quarter of 2015, the Corporation generated funds from operations of $78.6 million, or $0.79 per share, compared to $14.8 million, or $0.19 per share, for the same period in 2014. The increase in funds generated from operations was mainly due to the contribution from acquisitions.

For the twelve months ended December 31, 2015, the Corporation generated funds from operations of $321.1 million, or $3.48 per share, compared to $134.2 million, or $2.10 per share, for the same period in 2014. The increase in funds generated from operations was mainly due to the contribution from acquisitions.

7.11.2 FREE CASH FLOW

Free cash flow is an indication of the Corporation's continuing capacity to generate discretionary cash from operations and other activities. It represents cash flows for the period available for the suppliers of capital, which are the Corporation's creditors and shareholders.

For the fourth quarter of 2015, the Corporation's free cash flow was $184.2 million, or $1.86 per share, compared to $174.6 million, or $2.21 per share for the same period in 2014. The increase in free cash flow, in absolute dollars, was due mainly to the contribution from acquisitions.

For the twelve months ended December 31, 2015, the Corporation's free cash flow was $197.0 million, or $2.13 per share, compared to $180.5 million, or $2.82 per share for the comparable period in 2014. The increase was mostly due to the contribution from acquisitions and the proceeds from the sale of equity investments in associates.

8 LIQUIDITY

(in millions of dollars)	Q4 2015 For the period from September 27 to December 31	Q4 2014 For the period from September 28 to December 31	YTD 2015 For the period from January 1 to December 31	YTD 2014 For the period from January 1 to December 31
Cash flows generated from (used in) operating activities	$218.0	$193.2	$203.8	$224.7
Cash flows generated from (used in) financing activities	$185.2	$1,394.8	$243.8	$1,689.0
Cash flows from (used in) investing activities	($416.9)	($1,438.0)	($436.2)	($1,838.6)
Effect of exchange rate change on cash and cash equivalents	$1.0	($0.7)	$14.5	$1.1
Net change in cash position	**($12.7)**	**$149.3**	**$25.9**	**$76.2**
Dividends paid	**$17.6**	**$17.6**	**$67.0**	**$52.4**
Net capital expenditures	**$33.8**	**$18.6**	**$100.1**	**$44.2**

8.1 OPERATING ACTIVITIES

Cash generated from operating activities was $218.0 million for the fourth quarter and $203.8 million for the twelve-month period ended December 31, 2015, compared to $193.2 million and $224.7 million for the same periods in 2014. The variation between Q4 2015 and Q4 2014 was mainly due to the contribution from acquisitions as well as fluctuations in working capital. The variation year over year due was mostly to fluctuations in working capital.

8.2 FINANCING ACTIVITIES

For the fourth quarter, cash generated from financing activities was $185.2 million compared to $1,394.8 million for the same period in 2014. During the quarter, the Corporation drew down $279.6 million from credit facilities, mainly to finance the acquisition of MMM. In 2014, the Corporation issued common shares raising $905.6 million and drew down $513.8 million from its credit facilities to finance the acquisition of Parsons Brinckerhoff. In Q4 2015, the Corporation also repaid miscellaneous liabilities, including interest and finance costs of $76.8 million, compared to $7.0 million in Q4 2014. In Q4 2015 and Q4 2014, the Corporation paid dividends to shareholders of $17.6 million.

For the twelve-month period ended December 31, 2015, cash generated from financing activities was $243.8 million compared to $1,689.0 million for the same period in 2014. During the year, the Corporation issued common shares raising $331.1 million and drew down $90.7 million from its credit facilities, mainly to finance the acquisition of MMM. In 2014, the Corporation issued common shares raising $1,187.1 million and drew down $579.9 million from its credit facilities to finance multiple business acquisitions. The Corporation also repaid miscellaneous liabilities, including interest and finance costs of $109.3 million in 2015 compared to $24.1 million in 2014. During 2015 and 2014, the Corporation paid dividends to shareholders and a non-controlling interest totaling $68.7 million and $53.9 million, respectively.

8.3 INVESTING ACTIVITIES

For the fourth quarter ended December 31, 2015, cash used for investing activities was $416.9 million compared to $1,438.0 million used for the same period in 2014. The Corporation made net business acquisitions which required $382.4 million in 2015 compared to $1,418.9 million in 2014. The Corporation also acquired $36.4 million in equipment and intangible assets in Q4 2015, compared to $19.0 million in Q4 2014.

For the twelve-month period ended December 31, 2015, cash used for investing activities was $436.2 million compared to $1,838.6 million used for the same period in 2014. The Corporation made business acquisitions which required $439.0 million in 2015, compared to $1,795.7 million in 2014. The Corporation also acquired $104.7 million in equipment and intangible assets in 2015, compared to $45.8 million in 2014. In 2015, the Corporation netted proceeds from the disposition of investments in associates of $93.3 million and received dividends from associates totalling $11.5 million, compared to dividends received from associates of $1.8 million in 2014.

8.4 NET DEBT

(in millions of dollars)	2015 As at December 31	2014 As at December 31
Financial liabilities[1]	$1,012.9	$845.4
Less: Cash	($204.1)	($201.5)
Net debt	$808.8	$643.9
Trailing twelve months adjusted EBITDA	$441.5	$253.5

(1) Financial liabilities consist of long-term debt and other financial liabilities, including current portions.

As at December 31, 2015, the Corporation's statement of financial position remained strong and showed a good mix of debt and equity. The Corporation had a net debt position of $808.8 million and a trailing twelve months net debt to adjusted EBITDA ratio of 1.8x. Incorporating full 12 month adjusted EBITDA for all acquisitions, the ratio was at 1.7x.

8.5 DIVIDENDS

On October 29, 2015, the Corporation declared a quarterly dividend of $0.375 per common share to holders of common shares on record as of December 31, 2015, which was paid on January 15, 2016. As at December 31, 2015, 99,255,857 shares were issued and outstanding, compared to 88,588,720 as at December 31, 2014. During the fourth quarter, part of the third quarter dividend paid was reinvested into 417,053 common shares under the DRIP. The aggregate dividends declared in the fourth quarter of 2015 were $37.2 million, compared to $36.9 million for the third quarter of 2015. Holders of 50,299,618 shares, representing approximately 50.7% of all outstanding shares as at December 31, 2015, elected to participate in the DRIP. As a result, from the total dividends paid on January 15, 2016, $18.9 million was reinvested in shares of the Corporation. The net cash outflow, on January 15, 2016, was $18.3 million for the fourth quarter dividend payment.

The Board of Directors (the “Board”) has determined that the current level of quarterly dividend is appropriate based on the Corporation’s current earnings and financial requirements for the Corporation's operations. The dividend is currently expected to remain at this level subject to the Board’s ongoing assessment of the Corporation’s future requirements, financial performance, liquidity, and other factors that the Board may deem relevant. The actual amount of any dividend, as well as each declaration date, record date and payment date is subject to the discretion of the Board. Some information in this section constitutes forward-looking information. Please refer to the “Forward-Looking Statements” section of this MD&A.

8.6 STOCK OPTIONS

As at December 31 2015, 554,995 stock options were outstanding at exercise prices ranging from $35.12 to $41.69.

8.7 CAPITAL RESOURCES

(in millions of dollars)	2015 As at December 31	2014 As at December 31
Cash	$204.1	$201.5
Available syndicated credit facility	$736.0	$414.5
Other credit facilities	$9.4	$12.8
Available short-term capital resources	**$949.5**	**$628.8**

The Corporation believes that its cash flows from operating activities, combined with its available short-term capital resources, will enable it to support its growth strategy, its working capital requirements and planned capital expenditures and provide its shareholders with a return on their investment.

8.8 CREDIT FACILITIES

The Corporation has in place credit facilities with a syndication of financial institutions providing for committed credit facilities in the maximum amount of US$1,400.0 million. The credit facilities are available (i) for general corporate purposes, working capital and capital expenditure requirements of the Corporation, and (ii) for financing future business acquisitions. Under these credit facilities, the Corporation is required, among other conditions, to respect certain covenants on a consolidated basis. The main covenants are in regard to its consolidated funded debt to consolidated adjusted EBITDA and the fixed charge coverage ratios. Management reviews compliance with these covenants on a quarterly basis in conjunction with filing requirements under its credit facilities. All covenants were met as at December 31, 2015.

9 EIGHT QUARTER SUMMARY

		2015				2014			
	Total	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
(in millions of dollars, except per share data)	Trailing twelve months	For the period from September 27 to December 31	For the period from June 28 to September 26	For the period from March 29 to June 27	For the period from January 1 to March 28	For the period from September 28 to December 31	For the period from June 29 to September 27	For the period from March 30 to June 28	For the period from January 1 to March 29
Results of operations									
Revenues	$6,064.0	$1,660.1	$1,503.0	$1,497.2	$1,403.7	$1,158.1	$630.7	$602.5	$511.1
Net revenues*	$4,486.8	$1,248.2	$1,124.9	$1,088.9	$1,024.8	$858.8	$537.4	$513.1	$440.6
Adjusted EBITDA*	$441.5	$124.0	$126.2	$106.0	$85.3	$90.1	$66.4	$55.0	$42.0
Net earnings (loss) attributable to shareholders	$188.8	$14.7	$50.4	$95.4	$28.3	($7.9)	$29.1	$24.3	$17.3
Basic net earnings (loss) per share		$0.15	$0.55	$1.07	$0.32	($0.10)	$0.47	$0.40	$0.33
Diluted net earnings (loss) per share		$0.15	$0.55	$1.07	$0.32	($0.10)	$0.46	$0.40	$0.33
Backlog		$5,199.7	$4,891.6	$4,562.0	$4,674.4	$3.935.1	$1,881.8	$1,832.2	$1,723.1
Dividends									
Dividends declared	$141.2	$37.2	$36.9	$33.6	$33.5	$33.2	$23.2	$23.1	$23.0
Dividends declared, per share	$1.50	$0.375	$0.375	$0.375	$0.375	$0.375	$0.375	$0.375	$0.375

** Non-IFRS measures are described in the "Glossary" section*

In each of the last eight quarters, the Corporation declared dividends of $0.375 per share. In the third quarter of 2015 and the second and fourth quarters of 2014, the Corporation issued common shares to finance business combinations, thus increasing the Corporation's number of outstanding shares and therefore the aggregate dividends declared.

10 ANALYSIS OF SELECTED ANNUAL INFORMATION

In thousands of dollars, except per share/unit data	2015	2014	2013
Revenues	$6,064.0	$2,902.4	$2,016.0
Net revenues*	$4,486.8	$2,349.9	$1,677.2
Net earnings attributable to shareholders	$188.8	$62.8	$71.7
Net earnings per share attributable to shareholders			
Basic	$2.05	$0.98	$1.38
Diluted	$2.05	$0.98	$1.38
Total assets	$6,167.1	$4,913.8	$1,859.9
Financial liabilities (1)	$1,012.9	$845.4	$242.1
Dividends declared to shareholders	$141.2	$102.5	$77.8

**Non-IFRS measures are described in the "Glossary" section.*

(1) Financial liabilities consist of long-term debt and other financial liabilities, including current portions.

Revenues and net revenues increased through organic growth, and acquisitions completed in 2014 and 2015. All acquisitions had a direct impact not only on revenues but also on total assets since assets acquired, intangible assets and goodwill are recorded after each acquisition. In 2013, no significant acquisition was made compared to acquisitions with a total consideration paid of $1,795.7 million in 2014 and acquisitions with a total consideration paid of $439.0 million in 2015.

Revenues increased by 200.8% between 2013 and 2015. For the same time period, net earnings fluctuated as they were impacted by acquisition and reorganization costs. In 2013, the Corporation incurred reorganization costs in the amount of $9.5 million for the right-sizing of its Canadian and German operations, hence negatively impacting net earnings. In 2014, the Corporation incurred acquisition and reorganization costs in the amount of $69.8 million related to multiple business acquisitions made during the year. In 2015, the Corporation incurred minor net reorganization and restructuring costs of $3.9 million. Excluding acquisition and reorganization costs, net earnings from 2013 to 2015 would have increased in line with the increase experienced in revenues and net revenues.

In 2014 and 2015, the Corporation used its credit facilities to finance business acquisitions and operations.

In 2013, 2014 and 2015, the Corporation declared and paid quarterly dividends totalling $1.50 per common share annually to their shareholders.

11 GOVERNANCE

11.1 INTERNAL CONTROL OVER FINANCIAL REPORTING

The Corporation's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and have caused them to be designed under their supervision to provide reasonable assurance that:

- Material information related to the Corporation is made known to them; and
- Information required to be disclosed by the Corporation's annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Management carried out an evaluation of the effectiveness of the Corporation's DC&P as at December 31, 2015, as defined in National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings. Based on their evaluation, the CEO and CFO concluded that the design and operation of the Corporation's DC&P were effective.

The CEO and CFO have also designated internal controls over financial reporting ("ICFR") or have caused them to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. According to this, Management does not expect that ICFR will prevent or detect all errors of fraud.

Based on their evaluation carried out to assess the effectiveness of the Company's ICFR, the CEO and CFO have concluded that ICFR was designed and operated effectively as at December 31, 2015, using the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 COSO Framework, "COSO").

The CEO and the CFO have limited the scope of their design of DC&P and ICFR to exclude controls, policies and procedures of Faveo and MMM, business acquisitions which closed on June 30, 2015 and October 15, 2015, respectively, as permitted by the Canadian Securities Administrators' National Instrument 52-109 for 365 days following an acquisition.

There were no changes in the Corporation's ICFR that occurred during 2015, that have materially affected, or are reasonably likely to materially affect, the Corporation's ICFR. Controls will continue to be periodically analyzed in order to sustain a continuous improvement.

11.2 RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board has oversight responsibilities for reported information. Accordingly, the Audit Committee and the Board of WSP have reviewed and approved the audited consolidated financial statements for the years ended December 31, 2015, and 2014, and this MD&A, before their publication.

12 CONTINGENCIES

The Corporation is currently facing legal proceedings for work carried out in the normal course of its business. The Corporation takes out a professional liability insurance policy in order to manage the risks related to such proceedings. Based on advice and information provided by its legal advisors and on its experience in the settlement of similar proceedings, Management believes that the Corporation has accounted for sufficient provisions in that regard and that the final settlement should not exceed the insurance coverage significantly or should not have a material effect on the financial position or operating results of the Corporation.

As a government contractor, the Corporation may be subject to laws and regulations that are more restrictive than those applicable to non-government contractors. Government scrutiny of contractors' compliance with those laws and regulations through audits and investigations is inherent in government contracting, and, from time to time, Management receives inquiries and similar demands related to our ongoing business with government entities. Since 2012, the Corporation has been the object of investigations and search warrants initiated by the Unité Permanente Anti Corruption (UPAC) and the Competition Bureau in several regions within the Province of Québec. Some of the investigations conducted by the Competition Bureau have been referred for consideration to the Public Prosecution Service of Canada. On February 11, 2013, the Corporation announced that it was in possession of information confirming that inappropriate conduct in the province of Quebec in the financing of political parties and the awarding of municipal contracts had occurred in the past. As of March 14, 2016, the Corporation had received letters of demand from two cities requesting the Corporation to participate in the voluntary reimbursement program established pursuant to Bill 26, An Act to ensure mainly the recovery of amounts improperly paid as a result of fraud or fraudulent tactics in connection with public contracts, enacted in April 2015. Due to the implementation of the voluntary reimbursement program by the Québec government in November 2015, public bodies are prevented, until the voluntary reimbursement program is closed, from presenting their own civil claims for reimbursement of amounts improperly paid unless they receive prior authorization from the Minister of Justice. To date, no charges have been brought against the Corporation nor has the Corporation received any claims for fines, penalties or other monetary compensation in relation to the investigations initiated by UPAC and the Competition Bureau. The Corporation is taking steps to address these contingencies but cannot predict at this time the final outcome, potential losses or amounts that may have to be reimbursed to any governmental authorities, if any, with respect to any investigation by such government authorities in respect of these facts, including the possibility that their scope may be broadened which could have an impact on its future results of operations.

13 SIGNIFICANT ACCOUNTING POLICIES

The Corporation's significant accounting policies are described in notes 2 and 3 of the audited consolidated financial statements for the year ended December 31, 2015.

The preparation of the financial statements requires Management to make estimates and judgments that affect the reported amounts of assets and liabilities and equity and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgments are continually evaluated and are based on historical trends and other factors, including expectations of future events that are likely to materialize under reasonable circumstances. The following discussion sets forth Management's:

- Most critical estimates and assumptions in determining the value of assets and liabilities; and
- Most critical judgments in applying accounting policies.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Corporation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Other identifiable intangible assets and goodwill

Identifiable intangible assets and goodwill, excluding software and non-competition agreements, represented $3,108.4 million of total assets on the consolidated statement of financial position as at December 31, 2015 ($2,420.8 million as at December 31, 2014). These assets arise out of business combinations and the Corporation applies the acquisition method of accounting to these transactions. In measuring the fair value of the assets acquired and the liabilities assumed and estimating their useful lives, Management used significant estimates and assumptions regarding cash flow projections, economic risk and weighted cost of capital.

These estimates and assumptions determine the amount allocated to other identifiable intangible assets and goodwill, as well as the amortization period for identifiable intangible assets with finite lives. If results differ from estimates, the Corporation may increase amortization or impairment charges.

Claims provisions

In the normal course of business the Corporation faces legal proceedings for work carried out on projects. The Corporation has professional liability insurance in order to manage risks related to such proceedings. Management estimates the claims provisions, based on advice and information provided by its legal advisors and on its own past experience in the settlement of similar proceedings. Final settlements could have an effect on the financial position or operating results of the Corporation.

Retirement benefit obligations

The present value of obligations is calculated on an actuarial basis which depends on a number of assumptions relating to the future. These key assumptions are assessed regularly according to market conditions and data available to Management.

Current income taxes

The Corporation is subject to income tax laws and regulations in several jurisdictions. An estimate is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Corporation recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due in the future. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, on the basis of amounts expected to be paid to the tax authorities.

JUDGEMENTS IN APPLYING THE CORPORATION'S ACCOUNTING POLICIES

Cost and anticipated profits in excess of billings

The Corporation values its costs and anticipated profits in excess of billings based on the time and materials charged into each project. Costs and anticipated profits in excess of billings for each project are reviewed on a monthly basis to determine whether the amount is a true reflection of the amount that will be invoiced on the project. Where the review determines that the value of costs and anticipated profits in excess of billings exceed the amount that can be invoiced, adjustments are made to the costs and anticipated profits in excess of billings. The valuation of costs and anticipated profits in excess of billings involves estimates of the volume of work required to complete the project. Changes in the estimation of work required to complete the projects could lead to the undervaluation or overvaluation of costs and anticipated profits in excess of billings.

Intangible assets

Software, customer relationships, contract backlogs, certain trade names and non-competition agreements are considered intangible assets with finite useful lives. If the Corporation's estimated useful lives of these assets were incorrect, the Corporation could experience increased or reduced charges of amortization of intangible assets with finite useful lives in the future. Based on the strength, long history and expected future use, the WSP trade name is an indefinite-lived intangible asset and accordingly is not subject to amortization.

Impairment of long-lived assets

Long-lived assets that have a finite useful life are reviewed for impairment when events or circumstances indicate that the carrying amount may not be recoverable. Indefinite-lived assets are not subject to amortization but are tested for impairment on an annual basis as at September 30, or more frequently if events or circumstances indicate that the carrying value may not be recoverable. Impairment exists when the recoverable amount of an asset is less than its carrying value. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or "CGU"). The amount of impairment loss, if any, is the excess of the carrying value over its recoverable amount. Assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. As at December 31, 2015, no impairment exists.

Goodwill

Goodwill represents the excess of the consideration transferred for the acquired businesses over the estimated fair value at the acquisition date of net identifiable assets acquired. Goodwill is not subject to amortization and is carried at cost less accumulated impairment loss but is tested for impairment on an annual basis or more frequently if events or circumstances indicate that it might be impaired.

For the purpose of impairment testing, goodwill is allocated to each CGU expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually as at September 30. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill cannot be reversed in a subsequent period.

The Corporation performed its annual impairment test for goodwill as at September 30, 2015. The recoverable value of each CGU exceeded their carrying values. As a result, no goodwill impairment was recorded.

At September 30, 2015, the recoverable amounts of our Canadian CGU, on which most of our oil and gas activities are included, exceeded its carrying amounts. Assuming all other assumptions remain the same, a 75-basis point increase in the discount rate would have caused the Canadian CGU' carrying amount to be comparable to its recoverable amount as at that date. No reasonable change in the key assumptions used for the other CGUs or group of CGUs would have resulted in an impairment loss as at September 30, 2015.

The recoverable value of each CGU was based on fair value less costs of disposal. The following methodology and assumptions were applied to determine the fair value less costs of disposal for all CGUs.

The fair value less costs of disposal was calculated using the budgeted 2016 revenues and adjusted EBITDA margin and an anticipated growth for the next four years by the CGU. The Corporation considered past experience, economic factors as well as industry and market trends in assessing if the level of adjusted EBITDA can be maintained in the future. For the purpose of this test, Management used a 5-year period to project future cash flows. Beyond this period, the Corporation used a growth rate of 3.0% and a discount rate varying between 7.75% and 13.25%. The discount rate represents the after tax weighted average cost of capital ("WACC"). The WACC is an estimate of the overall rate of return required by debt and equity holders on their investments. Determining the WACC requires analyzing the cost of equity and debt separately, and takes into account a risk premium that is based on the applicable CGU. Costs of disposal are calculated based on 0.75% of the total fair value so determined, which is in line with the transaction costs incurred in comparable transactions.

Deferred tax assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Corporation's most recent approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the numerous jurisdictions in which the Corporation operates are also carefully taken into consideration. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

14 FUTURE ACCOUNTING STANDARDS

The following standards have been issued, but were not yet effective as at December 31, 2015:

IFRS 15 – Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, 'Revenue from Contracts with Customers' to specify how and when to recognize revenue as well as requiring the provision of more informative and relevant disclosures. IFRS 15 supersedes IAS 18, 'Revenue', IAS 11, 'Construction Contracts', and other revenue recognition related interpretations. The standard will be effective January 1, 2018 for the Corporation with earlier adoption permitted.

IFRS 9 – Financial Instruments

In July 2014, the IASB amended IFRS 9, 'Financial Instruments' to bring together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39, 'Financial Instruments: Recognition and Measurement'. The standard supersedes all previous versions of IFRS 9 and will be effective on January 1, 2018 for the Corporation with earlier application permitted.

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16, 'Leases' which requires lessees to recognize assets and liabilities for most leases. Lessees will have a single accounting model for all leases, with certain exemptions. For lessors, there is little change to the existing accounting in IAS 17, Leases. The new standard will be effective January 1, 2019, with limited early adoption permitted.

The Corporation has not yet quantified the effect of these Standards nor does it intend at this time to early adopt these Standards until the mandatory effective date.

15 FINANCIAL INSTRUMENTS

Foreign currency risk

The Corporation operates internationally which significantly increases its exposure to the currency risk arising from its operating activities denominated in US dollars, Sterling and Swedish krona and Euros and to its net assets in foreign operations. These risks are partially offset by purchases and operating expenses incurred in the same currencies. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates, and where a change in exchange rates would have a direct impact on net earnings of the Corporation.

The Corporation uses some financial instruments to manage the exposure to fluctuations of foreign currency exchange rates. It does not hold or use any derivative instruments for trading purposes.

Foreign exchange translation gains and losses on net investments and the effective portions of gains and losses on instruments hedging the net investments are recorded in the consolidated statement of comprehensive income.

In order to reduce the risk related to fluctuation in foreign currency exchange rates, the Corporation designated long term debt denominated in US dollars as the hedging instrument of net investment in US dollars.

Credit risk

The Corporation's credit risk is principally attributable to its trade receivables. The amounts presented in the balance sheet are net of an allowance for doubtful accounts, estimated by the Corporation's Management and based, in part, on the age of the specific receivable balance and the current and expected collection trends. Generally, the Corporation does not require collateral or other security from customers for trade accounts receivable; however, credit is extended following an evaluation of creditworthiness. In addition, the Corporation performs ongoing credit reviews of all its customers and establishes an allowance for doubtful accounts when the likelihood of collecting the account has significantly diminished. The Corporation believes that the credit risk of accounts receivable is limited. During the year ended December 31, 2015, bad debts accounted for were not significant.

The Corporation mitigates its credit risk by providing services to diverse clients in various industries and sectors of the economy.

16 RELATED PARTY TRANSACTIONS

The Corporation has control over its subsidiaries and they are consolidated in the consolidated financial statements. Some agreements are in place with structured entities; these entities provide different services, mainly in the architecture industry. These management agreements provide the Corporation with control over the management and operations of these entities. The Corporation also receives a management fee and has an obligation regarding their liabilities and losses. Based on these facts and circumstances, Management has concluded that these entities are controlled by the Corporation and, therefore, consolidated them in the financial statements.

Transactions among subsidiaries and structured entities are entered into in the normal course of business and on an arm's length basis. All intercompany balances and operations are eliminated.

During 2015, the Corporation entered into arm's length transactions with associates.

The Corporation conducts certain activities in joint arrangements which qualify as joint operations. These joint operations are accounted for using the proportionate consolidation method, which results in the Corporation recording its pro rata share of the assets, liabilities, revenues, costs and cash flows of each of these joint operations.

Transactions with subsidiaries, structured entities, associates and joint arrangements are further described in the Corporation's audited consolidated financial statements for the year ended December 31, 2015.

Key management personnel have the authority and the responsibility to plan, direct and control the activities of the Corporation. They include members of the Board of Directors, the President and CEO, CFO and the members of the executive committee. Total compensation to key management personnel recognized as an expense in 2015 was $20.1 million.

17 OFF-BALANCE SHEET AGREEMENTS

The Corporation does not engage in the practice of off-balance sheet financing, except for the use of certain operating leases for office space, computer equipment, vehicles and letters of credit. In accordance with IFRS, neither the lease liability nor the underlying asset is carried on the balance sheet as the terms of the leases do not meet the criteria for capitalization.

18 CONTRACTUAL OBLIGATIONS

The following tables provide a summary of the Corporation's long-term contractual obligations (including interest):

In millions of dollars	**1 year**	**2 years**	**3 years**	**4 years**	**5 years**	**More than 5 years**	**Total**
Long-term debts*	$142.6	$142.6	$285.2	$438.9	-	-	$1,009.3
Other non-current financial liabilities*	$18.7	$4.5	$0.6	-	-	-	$23.8

** Including current portion.*

In millions of dollars	**1 year**	**2 years**	**3 years**	**4 years**	**5 years**	**More than 5 years**	**Total**
Operating lease commitments	$180.9	$145.4	$122.5	$99.4	$51.3	$280.3	$879.8

The Corporation is committed under the terms of contractual obligations with various expiration dates, primarily for the rental of office space and computer equipment.

The Corporation generates cash flows from its operations and has available credit facilities to meet all of its contractual obligations in the future.

19 OUTLOOK

The outlook is provided to assist analysts and shareholders in formalizing their respective views on 2016. The reader is cautioned that using this information for other purposes may be inappropriate. These measures are subject to change. The information set out in this section constitutes forward-looking information. Please refer to the “Forward-Looking Statements” section of this MD&A.

The following table summarizes our expected ranges for various measures for the coming year as at March 14, 2016:

	2016 TARGET RANGE
Net revenues*	Between $4,600 million and $5,100 million
Adjusted EBITDA* range	Between $465 million and $515 million
Seasonality and adjusted EBITDA* fluctuations	Q1: 16% to 18%[1)] of net revenues Q2: 24% to 26% of net revenues Q3: 31% to 33% of net revenues Q4: 28% to 30% of net revenues
Tax rate	26% to 28%
DSO*	80 to 85 days
Amortization of intangible assets related to acquisitions	$75 to $80 million
Capital expenditures	$115 to $125 million
Net debt to adjusted EBITDA*	1.5x to 2.0x
Acquisition and reorganization costs*	Between $15 million and $25 million [2)]

* *Non-IFRS measures are described in the “Glossary” section.*

1) The first quarter of 2016 has 2 less billable days than the first quarter of 2015.
2) Due mainly to the MMM acquisition completed in Q4 2015 and anticipated additional real estate related integration costs pertaining to the transformational Parsons Brinckerhoff acquisition in Q4 2014.

The target ranges presented in the preceding table have been prepared assuming there will be no fluctuations in foreign exchange rate in markets in which the Corporation operates. In the 2016 forecast, the Corporation has considered numerous economic and market assumptions regarding the competition, political environment and economic performance of each region where it operates. In preparing its 2016 forecast, the Corporation also assumed that economic factors and market competition in regions where it operates will remain stable.

The forecast has been prepared using tax rates enacted as of December 31, 2015, in the countries in which the Corporation currently operates and assumed no change in the tax law applicable to such countries. In the 2016 forecast, the Corporation has not considered any dispositions, mergers, business combinations and other transactions that may occur after the publication of this MD&A. The Corporation cautions that the assumptions used to prepare the 2016 forecast could be incorrect or inaccurate. Accordingly, the Corporation's actual results could differ materially from the Corporation's expectations as set out in this MD&A.

For the year, we anticipate net revenues constant currency organic growth in the flat to 3% range. We expect contraction in the first quarter of 2016 and modest growth mainly in the latter half of 2016. The US, the UK and Sweden are expected to mitigate the anticipated negative to flat organic growth in net revenues from our Canadian (geomatics and oil & gas sectors), Middle East and Australian regions, which represented less than 20% of our net revenues in 2015.

Our 2016 outlook for our main operating segments is as follows:

Canada

The property & buildings, and environment businesses should provide solid organic growth throughout the fiscal year. The acquisition of MMM and the recently announced federal government spending program in infrastructure should also provide positive momentum for our transportation & infrastructure business unit.

However, as a whole, we anticipate negative to flat net revenues organic growth for our Canadian operations in 2016 as western Canada will continue to be impacted by a slowdown in the geomatics and oil & gas sectors.

Americas

Based on our backlog at the end of 2015, which increased organically by almost 20% during the year, and funding programs now in place in the US (FAST), we anticipate net revenues organic growth throughout 2016, in the low to mid-single digit range by year's end.

EMEIA

Our Nordics region is expected to deliver strong results in 2016. Our Swedish operations should continue to gain market share and perform well. In Norway, our Faveo acquisition has positioned us well to develop this region for the upcoming year and beyond. Finland is also expected to contribute more in 2016 with the prospects of a minor economic recovery for the region.

Our central Europe operations, consisting mainly Germany and France, are set to deliver stronger results in 2016.

The UKs economy is set to continue to expand at a moderate pace in the upcoming year, mostly driven by continuing growth in our core sectors, namely; property & buildings and transportation & infrastructure. Government initiatives are anticipated to continue to provide positive momentum for 2016, although at a slower pace than prior years.

In the Middle East, our view remains that reduced government spending and lower oil prices will result in slower decision making, and may result in several projects being reprioritised or put on hold indefinitely. In addition, the geopolitical situation in Saudi Arabia, Yemen and Syria remains a concern, negatively impacting the economy of the whole region. We anticipate flat to modest growth for 2016.

In South Africa, the power & energy business is expected to be the net revenues organic growth driver for the region, albeit coming mainly from one significant project which is expected to be completed in 2018. As such, we anticipate minor organic growth for 2016.

APAC

The winding down of a significant resources project is expected to negatively impact the first half of 2016. However, the transportation, buildings and environment markets are healthy and we anticipate growth in those sectors in 2016. We anticipate negative net revenues organic growth for the first half of the year and slightly negative to flat organic growth in net revenues for the full year.

In Asia, China's economy is expected to grow at a slower rate than previous years; a significant slowdown in the buildings market has led to developers to adopt a more cautious stance on new investments, resulting in major projects being delayed or postponed. In Hong Kong, progress remains slow on government approval of publicly funded projects. The Singapore private real estate sector remains slow following cooling measures introduced by the government. However, construction demand is forecast to remain stable with an increase in industrial projects and planned public sector institutional & civil Infrastructure works coming on line. We anticipate minor net revenues organic growth, mainly generated in the second half of the year.

20 FORWARD-LOOKING STATEMENTS

In addition to disclosure of historical information, the Corporation makes or provides statement or information that are not based on historical facts and which are considered to be forward-looking information or forward-looking statements under Canadian securities laws. These statements relate to future events or future performance, including future-oriented financial information, and reflect the expectations of Management regarding the growth, results of operations, performance and business prospects and opportunities of the Corporation or its industry.

This MD&A contains forward looking statements, including the Outlook in section 19. Forward-looking statements can typically be identified by terminology such as "may," "will," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," “forecast”, “project”, “intend”, “target”, "potential," "continue" or the negative of these terms or terminology of a similar nature. Such forward-looking statements reflect current beliefs of Management and are based on certain factors and assumptions as set forth in this MD&A, which by their nature are subject to inherent risks and uncertainties. While the Corporation considers these factors and assumptions to be reasonable based on information available as of March 14, 2016, actual events or results could differ materially from the results, predictions, forecasts, conclusions or projections expressed or implied in the forward-looking statements, .

In evaluating these forward-looking statements, investors should specifically consider various factors, including but not limited to the following risks discussed in greater detail in section 21 – “Risks Factors” starting on page 43: “Ability to Maintain Profitability”; “Organic Business Growth “Acquisition Integration and Management"; "Future Acquisitions and Integrations"; "Challenges Associated with Size"; "Global Operations"; "Changes to Backlog"; "Joint Arrangements"; "Economic Environment"; "Revenues from Contracts with Government Agencies"; "Risks Associated with Professional Services Contracts"; "Reliance on Suppliers and Subcontractors"; "Dependence on Clients"; "Major Project Delivery"; "Qualification Work"; "Reliance on Management and Key Professionals"; "Availability and Retention of Qualified Professional Staff"; "Adequate Utilization of Workforce"; "Collective Bargaining and Labour Disputes"; "Insurance Limits"; "Environmental, Health and Safety Risks and Hazards"; "Extreme Weather Conditions and the Impact of Natural or Other Disasters"; "Interruption to Systems or Network Infrastructure"; "Reputational Risk"; "Non-Compliance with Laws or Regulations"; "Risk of Future Legal Proceedings"; "Controls and Disclosure"; "Corporate Structure"; "Competition in the Industry"; "Scope of Regulations"; "Increased Awareness of Environmental Factors"; "Deterioration of Financial Position or Net Cash Position"; "Accounts Receivable"; "Increased Indebtedness"; "Impairment of Goodwill"; "Variability of Financial Results" ; "Foreign Currency Exposure"; "Taxes"; "Underfunded Defined Benefits Obligations"; "Potential Dilution"; "Payment of Dividends" as well as other risks detailed from time to time in reports filed by the Corporation with securities regulators, which may cause events or results to differ materially from the results expressed or implied in any forward-looking statement. We recommend you also review other parts of this document, including section 21 – "Risks Factors" starting on page 43, which include a discussion of material risks that could affect our business and cause our actual results to differ from current expectations, including those disclosed in forward-looking statements.

Forward-looking statements made by the Corporation are based on a number of assumptions believed by the Corporation to be reasonable as of March 14, 2016, including assumptions about general economic and political conditions; the state of the global economy and the economies of the regions in which the Corporation operates; the state of and access to global and local capital and credit markets; interest rates; working capital requirements; the collection of accounts receivable; the Corporation obtaining new contract awards; the type of contracts entered into by the Corporation; the anticipated margins under new contracts awards; the utilization of the Corporation's workforce; the ability of the Corporation to attract new clients; the ability of the Corporation to retain current clients; changes in contract performance; project delivery; the Corporation's competitors; the ability of the Corporation to successfully integrate acquired businesses; the acquisition and integration of businesses in the future, the Corporation's ability to manage growth; external factors affecting the global operations of the Corporation; the state of the Corporation's backlog; the joint arrangements into which the Corporation has or will enter; , capital investments made by the public and private sectors, relationships with suppliers and subcontractors; relationships with management, key professionals and other employees of the Corporation; the maintenance of sufficient insurance; the management of environmental and health and safety risk; the sufficiency of the Corporation's current and planned information systems, communications technology and other technology; compliance with laws and regulations; future legal proceedings; the sufficiency of internal and disclosure controls; the regulatory environment; impairment of goodwill; foreign currency fluctuation; the tax legislation and regulations to which the Corporation is subject; the state of the Corporation's benefit plans Other assumptions are set out throughout this MD&A (particularly, in the section entitled Outlook). If these assumptions prove to be inaccurate, the Corporation's actual results could differ materially from those expressed or implied in such forward-looking statements.

Actual results and events may be significantly different from what we currently expect because of the risks associated with our business, industry and global economy and of the assumptions made in relation to these risks. As such, there can be no assurance that actual results will be consistent with forward-looking statements. The Corporation does not necessarily update or revise forward-looking information even if new information becomes available, unless legislation requires us to do so. Readers should not place undue reliance on forward-looking statements.

21 RISK FACTORS

The Corporation's results of operations, business prospects, financial position and achievement of strategic plan are subject to a number of risks and uncertainties and are affected by a number of factors which could have a material adverse effect on the Corporation's business, financial condition or future prospects. These risks should be considered when evaluating an investment in the Corporation and may, among other things, cause a decline in the price of the shares or adversely affect the Corporation's ability to declare dividends on the shares.

This section describes the risks we consider as the most material to our business. This is not, however, a comprehensive list of the potential risks we currently or could eventually face. Risks and uncertainties not presently known to the Corporation or that the Corporation currently considers as not material could become material in the future or impair its business operations.

Risks Related to the Business

Ability to Maintain Profitability

There can be no assurance that the Corporation's business and strategy will enable it to sustain profitability in future periods. The Corporation's future operating results will depend on a number of factors, including its ability to:

- continuously obtain new contract awards with competitive contract margins;
- utilize its workforce efficiently;
- successfully cross-sell additional services to existing clients and attract new clients;
- successfully integrate acquired businesses with existing operations;
- consolidate its position in all markets, and identify and acquire suitable acquisition candidates in order to continue its expansion; and
- offer a full range of professional services.

There can be no assurance that the Corporation will be successful in achieving its strategic plan or that its strategic plan will enable it to maintain its historical revenue growth rates or to sustain profitability. Due to economic or market conditions, the Corporation may be unable to obtain the necessary capital to finance its strategic plan.

Organic Business Growth

Due to industry competition and economic factors, the Corporation may not be able to increase the size of its operations organically. As competition increases in the Corporation's markets, it may not be able to secure major projects, penetrate robust markets and attract additional qualified staff. Organic growth is also achieved by meeting client expectations through effective quality project delivery and by expanding services provided to existing clients. If the Corporation is unable to effectively compete for projects, expand services to existing clients and attract employees, it will have difficulty increasing its market share and achieving its growth objectives.

Acquisition Integration and Management

Management believes that growth through acquisitions can provide certain benefits to the Corporation. Achieving the benefits of acquisitions depends in part on successfully consolidating functions, integrating and leveraging operations, procedures and personnel in a timely and efficient manner, as well as the Corporation's ability to share knowledge and realize revenues, synergies and other growth opportunities from combining acquired businesses and operations with those of WSP. Failure by the Corporation to effectively integrate acquisitions could lead to a failure to realize anticipated benefits of one or more acquisitions. The integration of any acquired business into WSP includes the combination of systems and personnel. Integration requires the dedication of substantial management effort, time and resources, which may divert Management's focus and resources from other strategic opportunities and from operational matters during the process. The acquisition integration process may also result in the disruption of ongoing business, customer and employee relationships that may adversely affect the Corporation's ability to achieve the anticipated benefits of a given acquisition, including the ability to realize the anticipated synergies from combining the acquired business into WSP. A variety of factors may also adversely affect the anticipated benefits of an acquisition or prevent these from materializing or occurring within the time periods anticipated by the Corporation. Cultural differences among various countries in which the Corporation has acquired businesses may also present barriers to the success of the integration plan of the acquisitions concluded by the Corporation. In addition, the overall integration may result in unanticipated operational problems, costs, expenses, liabilities, customer loss or business disruption (including, without limitation, difficulties in maintaining relationships with employees, clients or suppliers) and, consequently, the failure to realize, in whole or in part, the anticipated benefits of an acquisition. There is no assurance that the Corporation will be able to successfully integrate past acquisitions. Each year, the Corporation incurs acquisition-related and integration costs which may be material.

In connection with acquisitions made by the Corporation, there may also be liabilities that the Corporation failed to discover or was unable to quantify in the due diligence conducted prior to closing of an acquisition and which could have a material adverse effect on the Corporation’s business, financial condition or future prospects.

Future Acquisitions and Integrations

The Corporation intends to continue making acquisitions from time to time as part of its strategy to grow its business. Acquisitions, if they occur, will increase the size of the Corporation’s operations and may increase the amount of indebtedness that the Corporation has to service. There is no assurance that the Corporation will be able to identify suitable acquisition targets and acquire operations on satisfactory terms, or at all. Further, the successful integration and management of acquired businesses involve numerous risks that could adversely affect the Corporation's growth and profitability, including the risk that:

- the Corporation may not be able to obtain the necessary capital to finance its working capital, capital expenditures, acquisitions, growth strategy and general corporate or other purposes by way of debt financing;

- the Corporation may not be able to successfully manage the acquired businesses and that the integration may place significant demands on Management, diverting their attention from existing operations;
- the Corporation's operational, financial and management systems may be incompatible with or inadequate to effectively integrate and manage the acquired businesses;
- acquisitions may require substantial financial resources that otherwise could be used in the development of other aspects of the Corporation's business;
- major clients of the acquired businesses may not be retained following the acquisition of such businesses; and
- acquisitions may result in liabilities and contingencies, which could be significant to the Corporation's operations.

The successful integration of an acquired business is also subject to the risk that personnel and professionals from the acquired business and the Corporation may not be able to work together successfully, which could affect the Corporation's operations. In particular, the Corporation may seek to require as a condition of its acquisitions that key personnel and professionals enter into employment agreements for specified post-acquisition periods and/or non-competition undertakings, however there are risks that such commitments will not be fulfilled or that the personnel and professionals subject to same or other personnel and professionals will not be successfully integrated as productive contributors to the Corporation's business. Moreover, the successful integration of an acquired business is subject to the willingness of such acquired business to operate in accordance with the Corporation's values and culture. Newly acquired businesses may be resistant to change and remain attached to past values and culture which may compromise the Corporation's integration plans. There is no assurance that the Corporation will be able to successfully integrate any future acquisitions.

Challenges Associated with Size

In recent years, the Corporation has significantly increased in size and now has approximately 34,000 employees in 40 countries and expects to continue to pursue its growth strategy. The Corporation must effectively communicate and manage its culture, values, standards, internal controls and policies throughout the larger organization. To effectively communicate and manage these culture, values, standards, internal controls throughout a large global organization is both challenging and time consuming for Management and the employees involved The Corporation may not be able to achieve its strategic objectives if it does not overcome the challenges associated with managing cultural diversity and the particularities of local markets. Cultural differences in various countries may also present barriers to introducing new ideas or aligning WSP's vision and strategy throughout the organization. If the Corporation cannot overcome these obstacles, it may not be able to achieve its growth and profitability objectives.

Global Operations

A significant portion of the Corporation's revenues are attributable to projects in markets outside of the Corporation's traditional market of Canada. Our business is dependent on the continued success and growth of our international operations, and Management expects international operations to continue to account for a significant portion of the Corporation's total revenues. Due to its global operations, the Corporation is currently and will be increasingly subject to, a variety of risks, including:

- general social, economic and political conditions or instability in foreign markets and globally, including recessions and other economic crises in one or more markets in which the Corporation operates;

- risks related to complying with a wide variety of local, national, and international laws, together with potential adverse or significant changes in laws and regulatory framework and practices;
- difficulty or expense in enforcing contractual rights due to a lack of a developed legal system or other factors in certain jurisdictions,
- the difficulties and costs of staffing and managing global operations and changes in labour conditions;
- difficulties, delays and expense that may be experienced or incurred in connection with the movement of personnel through the customs and immigration authorities of various jurisdictions; and
- a greater risk of uncollectible accounts and longer collection cycles;
- fluctuations in exchange rates;
- multiple and possibly overlapping tax structures;
- exchange controls and other funding restrictions and limitations on the Corporation's ability to repatriate cash, funds or capital invested or held in jurisdictions outside Canada.
- international hostilities and terrorism; and
- cultural, logistical and communications challenges.

In addition, the Corporation faces competition in other countries from companies that may have more experience operating in such countries or with global operations generally.

Changes to Backlog

The Corporation cannot guarantee that the revenues projected in its backlog will be realized or, if realized, will result in profits. Projects may remain in the backlog for an extended period of time. In addition, project delays, suspensions, terminations, cancellations, reductions in scope or other adjustments do occur from time to time in the Corporation's industry due to considerations beyond our control and may have a material impact on the value of reported backlog with a corresponding adverse impact on future revenues and profitability. Backlog reduction may adversely affect the revenues that the Corporation will actually receive from contracts reflected in the backlog. Future project cancellations and scope adjustments could further reduce the dollar amount of the backlog and the revenues that the Corporation actually receives.

In addition, most of the Corporation's contracts contain "termination for convenience" or termination upon short notice provisions, which permit the client to terminate or cancel the contract at its convenience upon providing the Corporation with notice a specified period of time before the termination date or paying the Company equitable compensation or both, depending on the specific contract terms. In the event a significant number of the Corporation's clients were to avail themselves of such "termination for convenience" provisions, or if one or more significant contracts were terminated for convenience, the Corporation's reported backlog would be adversely affected with a corresponding adverse impact on expected future revenues and profitability.

If a significant backlog adjustment occurs, the Corporation could incur costs resulting from reductions in staff that would have the effect of reducing its net earnings.

Joint Arrangements

As part of its business strategy, the Corporation may enter into certain contracts through joint arrangements such as joint ventures, partnerships or other strategic alliances. The success of the Corporation's joint arrangements depends on the satisfactory performance by its partners of their respective obligations. Differences in views among the partners to a joint arrangement may result in delayed decisions, disputes or failure to meet a joint arrangement's obligations. The failure or unwillingness of any partner in a joint arrangement to perform its obligations could impose additional financial and performance obligations on the Corporation that could result in increased costs and adversely affect the Corporation's reputation. If these circumstances occur, the Company may be required to pay financial penalties or liquidated damages, provide additional services, or make additional investments to ensure adequate performance and delivery of the contracted services. Under agreements with joint and several (or solidary) liabilities, the Corporation could be liable for both its obligations and those of its partners.

The Corporation participates in joint arrangements in which it is not the controlling partner. In these cases, the Corporation may have limited control over the actions or decisions of the joint arrangement. These joint arrangements may not be subject to the same requirements regarding internal controls and internal control over financial reporting that the Corporation follows. To the extent the controlling partner makes decisions that negatively impact the joint venture or internal control problems arise within the joint venture, it could have an adverse impact on the Corporation's business and results of operations.

The failure by a joint arrangement partner to comply with applicable laws, rules or regulations, or client requirements, could negatively impact the Corporation's business and, in the case of government contracts, could result in fines, penalties, suspension or even debarment being imposed on the Corporation, which could have an adverse impact on the Corporation's reputation, business, financial condition and results of operations.

Economic Environment

Global and local capital and credit markets and global and local economies may experience significant uncertainty, characterized by the bankruptcy, failure, collapse or sale of one or more sectors, including financial institutions, and a considerable level of intervention from governments and international organizations around the world. Economic conditions in any of the markets in which the Corporation operates, may be weak and may remain weak or become weaker in the future. Although economic growth may be rebounding in some regions of the world, many markets remain fragile and could again enter periods of negative economic growth. In addition, many governments used, or continue to use, significant levels of fiscal stimulus in an attempt to avoid recessions and now have significant and growing debts and deficits that may require actions such as spending cuts and higher taxes. These conditions may impact demand for the Corporation's services by public and private entities. Demand for the Corporation's services may also be vulnerable to reductions in private industry spending resulting from sudden economic downturns or changes in commodity prices such as oil, natural gas or metals, which may result in clients delaying, curtailing or canceling proposed and existing projects. Any of these conditions may adversely affect the demand for the Corporation's services, which may negatively affect its business, financial condition and results of operations.

In addition, interest rate fluctuations, financial market volatility or credit market disruptions may limit the Corporation's access to capital and may also negatively affect the ability of the Corporation's customers to obtain credit to finance their businesses on acceptable terms. If the operating and financial performance of the Corporation's customers deteriorates or if they are unable to make scheduled payments or obtain credit, the Corporation’s customers may not be able to pay the Corporation. Any inability of customers to pay the Corporation for its services may adversely affect its backlog, earnings and cash flows.

Lastly, rising inflation, interest rates and construction costs could reduce the demand for the Corporation's services in the markets in which it operates or may operate in the future. The Corporation also bears the risk of rising inflation in connection with fixed-price negotiated fee contracts. Due to the fact that a significant portion of the Corporation's revenues are earned from cost-reimbursable type contracts, the effects of inflation on the Corporation's financial condition and results of operations over the past few years have been generally minor. Nonetheless, if the Corporation expands its business into markets or geographic areas in which fixed-price negotiated fee work is more prevalent, inflation may have a larger impact on the Corporation's results of operations.

Revenues from Contracts with Government Agencies

The demand for the Corporation's services is affected by the level of government funding that is allocated for rebuilding, improving, and expanding infrastructure systems. The Corporation derives a significant amount of its revenues from governments or government-funded projects and expects to continue to do so in the future. Significant changes in the level of government funding (whether from traditional funding constraints), the long-term impacts of the recent economic crisis (including future budgetary constraints and concerns regarding deficits), changing political priorities, changes in governments or delays in projects caused by election processes, may adversely affect the Corporation’s business, prospects, financial condition and results of operations.

The success and further development of the Corporation's business depends, in part, on the continued funding of these government programs and on the Corporation's ability to participate in these programs. However, governments may not have available resources to fund these programs or may not fund these programs even if they have available financial resources. Some of these government contracts are subject to renewal or extensions annually, and thus the Corporation cannot be assured of its continued work under these contracts in the future. In addition, government agencies can terminate these contracts at their convenience or render the Corporation ineligible to contract with such government agencies in the future. The Corporation may incur costs in connection with the termination of these contracts and suffer a loss of business. In certain markets, contracts with government agencies are sometimes subject to substantial regulation and audit of the actual costs incurred. These audits can result in a determination that a rule or regulation has been violated or that adjustments are necessary to the amount of contract costs the Corporation believes are reimbursable by the agencies and the amount of overhead costs allocated to the agencies. Consequently, there may be a downward adjustment to the Corporation's revenues if those costs that have been recognized exceed contractual entitlement to recover such costs.

Risks Associated with Professional Services Contracts

A portion of the Corporation's revenues comes from fixed-price negotiated fee contracts. Under such contracts, the Corporation agrees to perform either all or a specified portion of work under the contract for a fixed amount of fees. Fixed-price negotiated fee contracts expose the Corporation to a number of risks not inherent in hourly basis contracts, including underestimation of fees, ambiguities in specifications, unforeseen difficulties, problems with new technologies, delays beyond its control and economic or other changes that may occur during the contract period and losses. Increasing use of fixed-price negotiated fee contracts and/or increasing size of such contracts would increase the Corporation’s exposure to these risks.

The Corporation typically has pending claims submitted to clients under some of its contracts for payment of work performed beyond the initial contractual requirements for which revenues have already been recorded. In general, the Corporation cannot guarantee that such claims will be approved by its clients in whole, in part, or at all. If these claims are not approved, the Corporation's revenues may be reduced in future periods. In certain instances, the Corporation may provide a guarantee to a client that it will complete a project by a certain date. As such, the Corporation may incur additional costs should the project subsequently fails to meet the scheduled completion date. A project’s revenues could also be reduced should the Corporation be required to pay liquidated damages in connection with contractual penalty provisions. Such damages can be substantial and can accrue on a daily basis.

In addition, the Corporation sometimes partners with construction delivery partners on engineering, procurement and construction (EPC) projects. In such cases, the Corporation assumes all design, procurement and construction risks, except for any risks that are contractually assumed by the client. Losses under EPC projects could adversely affect the Corporation's business, operating results and financial condition.

Reliance on Suppliers and Subcontractors

The Corporation engages with a large number of third party suppliers and subcontractors. The profitable completion of some contracts depends to a large extent on the satisfactory performance of the subcontractors that complete different elements of work. If these subcontractors do not perform to acceptable standards, the Corporation may be required to hire other subcontractors in order to complete the tasks, which may add additional costs to a contract, may impact profitability on a specific job and in certain circumstances lead to significant losses. The failure of any such third party supplier or subcontractor to deliver on their contractual commitments could have an adverse effect on the Corporation's business, prospects, financial condition and results of operations.

Dependence on Clients

Professional services, as provided by the Corporation, are subject to fluctuations resulting from different factors, including economic conditions. Although the Corporation's revenues do not materially depend on any specific client, contracts for services are terminable by the clients on short notice and there can be no assurance that the Corporation will be able to retain its relationships with its largest clients.

Major Project Delivery

As WSP grows, we are presented with the opportunity to work on larger and more complex projects. Some clients are demanding alternative project delivery methods, such as bundled services for EPC projects, design-builds, and public-private partnerships. If the Corporation fails to respond to these market demands, clients may award these projects to our competitors which could mean lost revenue. Failure to effectively manage these more complex or larger projects could result in cost overruns, unexpected liabilities and decreased profitability.

Qualification Work

In order to adapt to the current trends affecting the manner in which projects are performed in the sectors in which the Corporation operates, the Corporation may participate in upfront qualification work, for example in the context of a request for qualifications, in order to participate in consortiums formed to bid on large projects. The Corporation may not recover its costs in connection with such work. The time invested in participating in consortiums for large projects and the related qualification work may ultimately not result in the Corporation obtaining contracts on which it can generate appropriate profit margins.

Reliance on Management and Key Professionals

The Corporation's operations are dependent on the abilities, experience and efforts of its Management and key professionals and employees, many of whom have significant reputations and contacts in the industry in which the Corporation operates. Should any members of Management or key professionals or employees be unable or unwilling to continue their relationship with the Corporation, the Corporation's business, prospects, financial condition and results of operations could be materially adversely impacted.

Availability and Retention of Qualified Professional Staff

The Corporation's success depends in part on its continued ability to attract and retain qualified and skilled engineers and other professional staff in particular locations. Over the years, a significant shortage of engineers has developed in some markets which resulted in continued upward pressure on professional compensation packages. There can be no assurance that the Corporation will be able to attract, hire and retain sufficient qualified engineers and other professional staff necessary to continue to maintain and grow its business. The inability to attract, hire and retain sufficient numbers of qualified engineers and other professional staff could limit the Corporation's ability to sustain and increase revenues.

Adequate Utilization of Workforce

The cost of providing its services, including the extent to which the Corporation utilizes its workforce, affects its profitability. The rate at which the Corporation utilizes its workforce is affected by a number of factors, including:

- its ability to transition employees from completed projects to new assignments and to hire and assimilate new employees;
- its ability to forecast demand for its services and thereby maintain an appropriate headcount in each of its geographies;
- its ability to manage attrition;
- its need to devote time and resources to training, business development, professional development, and other non-chargeable activities; and
- its ability to match the skill sets of its employees to the needs of the marketplace.

If the Corporation over-utilizes its workforce, its employees may become disengaged, which could impact employee attrition. If the Corporation under-utilize its workforce, its profit margin and profitability could suffer.

Collective Bargaining and Labour Disputes

As of December 31, 2015, employees in Sweden and Finland, amounting to approximately 10% of the Corporation's total employees, were covered by collective bargaining agreements, renewable on an annual basis. Although the Corporation believes that it has good relations with its employees, the

Corporation has in the past experienced labor disputes with its employees. The outcome of any future negotiations relating to union representation or collective bargaining agreements may not be favorable to the Corporation. The Corporation may sign collective bargaining agreements that increase its operating expenses and lower its net income as a result of higher wages or benefit expenses. In addition, negotiations with unions, including work actions, could divert Management attention and disrupt operations.

Insurance Limits

The Corporation believes that its professional errors and omissions insurance, commercial general liability and director and officer liability insurance coverage addresses all material insurable risks, provides coverage that is similar to that which would be maintained by a prudent operator of a similar business and is subject to deductibles, limits and exclusions which are customary or reasonable given the cost of procuring insurance and current operating conditions. However, there can be no assurance that such insurance will continue to be offered on economically feasible terms, that all events that could give rise to a loss or liability are insurable, or that the amounts of insurance will at all times be sufficient to cover each and every loss or claim that may occur involving the Corporation's assets or operations.

Environmental, Health and Safety Risks and Hazards

The Corporation's Environmental, Health and Safety systems are aimed at reducing risks to people, the environment, and its business; however, many employees are subject to environmental, health, and safety risks in the course of their employment. A number of these risks could result in personal injury, loss of life, or environmental and other damage to the Corporation's property or the property of others. Alternatively, the Corporation could be exposed to civil and/or statutory liability to employees arising from injuries or deaths because of inadequate health and safety policies and practices. The Corporation cannot fully protect against all these risks, nor are all these risks insurable. The Corporation may become liable for damages arising from these events against which it cannot insure or against which it may elect not to insure because of high premium costs or other reasons. Furthermore, the Corporation risks incurring additional costs on projects that have sustained environmental, health, and safety hazards because they may require additional time to complete or because employee time may be lost due to injury.

Extreme Weather Conditions and the Impact of Natural or Other Disasters

The Corporation's field activities are generally performed outdoors and include professional surveying, resident engineering services, field data surveys and collection, archeology, geotechnical investigations and exploratory drilling, construction oversight and inspection, plant start-up and testing and plant operations. Extreme weather conditions or natural or other disasters, such as earthquakes, fires, floods, epidemics or pandemics and similar events, may cause postponements in the initiation and/or completion of the Corporation's field activities and may hinder the ability of its employees to arrive at work, which may result in delays or loss of revenues that otherwise would be recognized while certain costs continue to be incurred. Extreme weather conditions or disasters may also delay or eliminate the start and/or completion of various phases of work relating to other services that commence concurrent with or subsequent to field activities. Any delay in the completion of the Corporation's services may require the Corporation to incur additional non-compensable costs, including overtime work, that are necessary to meet clients’ schedules. Due to various factors, a delay in the commencement or completion of a project may also result in penalties or sanctions under contracts or even the cancellation of contracts.

Interruption to Systems or Network Infrastructure

The Corporation heavily relies on information systems, communications technology, design software, business applications and other technology applications and systems, including global and regional networks, complex server infrastructure and operating systems, in order to operate properly and ensure service delivery and revenues.

If the Corporation is unable to continually maintain, scale and add software and hardware, effectively upgrade its systems and network infrastructure, maintain key information technology personnel, and take other steps to improve the efficiency of and protect its systems, the Corporation’s operation systems could be interrupted or delayed. In addition, the Corporation’s computer and communications systems and operations could be damaged or interrupted by natural disasters, telecommunications failures, acts of war or terrorism, computer viruses, physical or electronic security breaches, or similar events or disruptions. In addition, the Corporation faces the threat of unauthorized system access, computer hackers, malicious code and organized cyber-attacks. Although the Corporation devotes significant resources to the security of its computer systems, it may still be vulnerable to threats. Anyone who circumvents security measures could misappropriate proprietary or confidential information or personal employee information or cause interruptions or malfunctions in system operations. As a result, the Corporation may be required to expend significant resources to protect against the threat of system disruptions and security breaches, or to alleviate problems caused by disruptions and breaches. Any of these or other events could cause system interruptions, delays, and loss of critical data, could delay or prevent operations and could result in legal proceedings against the Corporation and also prejudice to the Corporation’s clients, employees and reputation.

Reputational Risk

To remain competitive, the Corporation depends to a large extent on its relationships with its clients and its reputation for high-quality professional services and as a professional services firm that complies with the highest ethical standards. The failure of the Corporation to meet its clients’ expectations in the course of a project, including the possibility of a catastrophic failure or incident affecting such a project, could have a negative impact on how it is perceived in the market. Further, the Corporation's failure to comply with applicable laws, regulations or generally recognized and accepted guidelines on corporate, environmental, social and governance responsibilities, or commitment of any acts of misconduct or corruption, illegal political contributions, non-compliance with laws or regulations, anti-competitive or criminal acts by its officers, employees, agents and/or partners or other ethics-related acts or omissions could negatively impact the Corporation's reputation and adversely affect its ability to obtain future projects.

Non-Compliance with Laws or Regulations

The Corporation faces risks relating to non-compliance with laws, corruption within its operations, anti-competitive acts, illegal political contributions, bribery and ethics-related issues and their potential negative impact on the Corporation's results. Although the Corporation has adopted control measures and implemented policies to mitigate these risks and ensure compliance with laws and regulations, these control measures and policies have inherent limitations, including human error, and could be intentionally circumvented or become inadequate as conditions change. Our control measures may not be sufficiently effective to protect the Corporation from the consequences of such acts committed by its officers, employees, agents and/or partners, corruption in connection with its operations and ethics-related issues. Accordingly, fraud and bribery and other reckless or criminal acts may occur and remain undetected, resulting in a loss of assets and/or misstatement in the Corporation's financial statements and related public disclosure. Moreover, misconduct, illegal political contributions, non-compliance with previously enacted or proposed laws or regulations, anti-competitive or criminal acts by the Corporation's officers, employees, former employees or agents could subject the Corporation to fines and penalties, criminal, civil and administrative legal sanctions and suspension from its ability to bid, enter into or perform public or private contracts, resulting in reduced revenues and profits and potential negative impact on the Corporation's reputation and the market price of the Corporation's shares. The institution of formal charges with respect to any such circumstances by appropriate governmental authorities may have to be immediately accounted for in the results of the Corporation and may have a material adverse impact on the assets, liabilities, revenues and goodwill of the Corporation.

As part of its global business dealings with different governmental bodies, entities and agencies in each of the countries in which the Corporation operates, WSP must also comply with multiple and complex public procurement laws and regulations aimed at ensuring that public sector bodies award contracts in a transparent, competitive, efficient and non-discriminatory way in these jurisdictions. These rules can also provide for verification processes and disclosure requirements, among others matters. In addition, WSP may be required to obtain authorizations or certifications in order to enter into contracts with governmental bodies, entities and agencies in certain jurisdictions, which authorizations or certifications may be revoked in a variety of circumstances, including at the discretion of a governmental authority or if the Corporation or its affiliates or directors or officers is convicted of an offense. If the Corporation fails to comply with these laws and regulations or the terms of these authorizations or certifications or if the Corporation, its directors, officers, employees or agents commit legal violations or misconduct specified in any of these rules, the Corporation could be subject to, mandatory or discretionary exclusion or suspension, on a permanent or temporary basis, from contracting with these governmental bodies, entities and agencies or within certain jurisdictions, in addition to fines, penalties and other sanctions that could be incurred by the Corporation. Upon conviction of an offense the Corporation could be debarred from participating in procurements with governmental bodies, entities and agencies for extended periods of time and suffer significant damage to its reputation. The disqualification of the Corporation from public contracts, the conviction of the Corporation with respect to certain offenses or the institution of formal charges with respect to such offenses in any jurisdiction in which it has operations or carries out business activities, could impact its ability to bid, enter into or perform public contracts or subcontracts in that and other jurisdictions.

The Corporation is also subject in certain jurisdictions in which the Corporation operates, to legislation that grants governmental authorities exceptional measures for the reimbursement and recovery of amounts improperly obtained as a result of fraud or fraudulent tactics in the course of the tendering, awarding or management of public contracts. In connection with a reimbursement or settlement under such legislation a number of conditions may be imposed on the Corporation and the Corporation may be required to undergo certain changes to its business practices which could impose additional costs on the Corporation and adversely affect its ability to pursue business opportunities.

Risk of Future Legal Proceedings

The Corporation is threatened from time to time with, or named as a defendant in, or may become subject to various legal proceedings in the ordinary course of conducting its business, including lawsuits based upon professional errors and omissions, lawsuits related to the general contracting business historically carried on by GENIVAR Inc. and lawsuits related to employees' or former employees' failure to comply with laws and regulations. Defending lawsuits of this nature or arising out of any of the services provided by the Corporation could require substantial amounts of its Management's attention, necessitate financial resources to defend such claims or result in significant attorney fees, damage awards and the imposition of significant fines or penalties for which the Corporation may not be fully insured and which could harm its reputation thereby affecting its ability to obtain future projects and retain qualified employees. In addition, the institution of proceedings against the Corporation may have to be immediately accounted for in the results of the Corporation and may have a material adverse impact on the assets, liabilities, revenues and/or goodwill of the Corporation.

Controls and Disclosure

Inherent limitations to the Corporation's internal or disclosure controls could result in a material misstatement of financial information. The Corporation maintains accounting systems and internal controls over its financial reporting and disclosure controls and procedures. There are inherent limitations to any control framework, as controls can be circumvented by acts of individuals, intentional or not, by collusion of two or more individuals, by management override of controls, by lapses in judgment and breakdowns resulting from human error. There are no systems or controls that can provide absolute assurance that all fraud, errors, circumvention of controls or omission of disclosure can and will be prevented or detected. Such fraud, errors, circumvention of controls or omission of disclosure could result in a material misstatement of financial information. Also, projections of any evaluation of the effectiveness of controls to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. Inadequate controls could also result in fraud and inappropriate decision-making based on non-current internal financial information. Inadequate internal or disclosure controls may also have a material adverse impact on the assets, liabilities, revenues and/or goodwill of the Corporation.

Corporate Structure

WSP is a holding Corporation and a substantial portion of its assets are the equity interests in its subsidiaries. As a result, the Corporation is subject to the risks attributable to the Corporation's subsidiaries. Moreover, because WSP conducts substantially all of its business through its subsidiaries, which generate substantially all of WSP's revenues, WSP's cash flows and ability to complete current or desirable future enhancement opportunities are dependent on the earnings of its subsidiaries and the distribution of those earnings to WSP. The ability of these entities to pay dividends and other distributions will depend on their operating results and may potentially be constrained by various contractual restrictions. In the event of a bankruptcy liquidation of any of its subsidiaries, holders of indebtedness and trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to WSP.

Risks Related to the Industry

Competition in the Industry

The Corporation operates in highly competitive markets and has numerous competitors for all of the services it offers. Size and characteristics of competitors vary widely with the type of service they provide. Some of the Corporation's competitors have longer operating histories, greater name recognition, larger customer bases and have achieved substantially more market penetration in certain of the areas in which the Corporation competes. In addition, some of the Corporation's competitors have substantially more financial resources and/or financial flexibility and marketing resources than the Corporation. These competitive forces could have a material adverse effect on the Corporation's business, its financial condition and results of operations by reducing its current market share in the market segments in which the Corporation operates.

Scope of Regulations

A portion of the Corporation's professional services business is generated directly or indirectly as a result of laws and regulations. Changes in such regulations could affect the Corporation's business more significantly than they would affect other professional services firms. Accordingly, changes to the number or scope of these laws and regulations could significantly reduce the size of its market segment in such market.

Increased Awareness of Environmental Factors

As part of increasing awareness of global climate change, some experts have suggested that companies involved in industries that may impact the environment through their projects may be subject to litigation from governments, shareholders or environmental activists. The cancellation of major projects contracted by the Corporation due to environmental concerns or significant environmental litigation impacting key clients could materially affect the Corporation's financial condition and results of operations.

Risks related to the Corporation’s liquidity, capital resources and financial position

Deterioration of Financial Position or Net Cash Position

A deterioration or weakening of the Corporation’s financial position, including its net cash position, would have a material adverse effect on its business and results of operations. The Corporation relies both on its cash position as well as on the credit and capital markets to provide a portion of its capital requirements and it is, in certain instances, required to obtain bank guarantees as a means to secure its various contractual obligations. Significant instability or disruptions of the capital markets, including the credit markets, or a deterioration in or weakening of its financial position, including its net cash position, due to internal or external factors, could restrict or prohibit the Corporation’s access to, or significantly increase the cost of one or more of these financing sources, including credit facilities, the issuance of long-term debt, or the availability of letters of credit to guarantee its contractual and project obligations.

There can be no assurance that the Corporation will maintain an adequate net cash position and generate sufficient cash flow from operations in a sufficient amount to enable itself to fund its operations and liquidity needs, service its debt and/or maintain its ability to obtain and secure bank guarantees.

A draw on letters of credit or bank guarantees by one or more third parties could, among other things, significantly reduce the Corporation’s cash position and have a material adverse effect on its business and results of operations.

Working Capital Requirements

The Corporation may have significant working capital requirements, which if unfunded could negatively impact its business, financial condition and cash flows. In some cases, the Corporation may require significant amounts of working capital to finance the performance of engineering and other work on certain projects before it receives payment from clients. In some cases, the Corporation is contractually obligated to its clients to fund working capital on projects. Increases in working capital requirements could negatively impact the Corporation's business, financial condition and cash flows.

Additionally, the Corporation could temporarily experience a liquidity shortfall if it is unable to access its cash balances and short-term investments to meet its working capital requirements. The Corporation's cash balances and short-term investments are in accounts held by banks and financial institutions, and some of the Corporation's deposits exceed available insurance. There is a risk that such banks and financial institutions may, in the future, go into bankruptcy or forced receivership, or be seized by governments, which may cause the Corporation to experience a temporary liquidity shortfall or fail to recover its deposits in excess of available insurance.

Further significant deterioration of the current global economic and credit market environment could challenge the Corporation's efforts to maintain a diversified asset allocation with creditworthy financial institutions.

In addition, the Corporation may invest some of its cash in longer-term investment opportunities, including the acquisition of other entities or operations, the reduction of certain liabilities such as unfunded pension liabilities and/or repurchases of the Corporation's outstanding shares. To the extent the Corporation uses cash for such other purposes, the amount of cash available for the working capital needs described above would be reduced.

Accounts Receivable

As is common in the professional services industry, the Corporation carries a high level of accounts receivable on its balance sheet. This value is spread amongst numerous contracts and clients. While the Corporation performs regular reviews of accounts receivable to identify clients with overdue payments and resolve issues causing any delays, there can be no assurance that outstanding accounts receivable will be paid on a timely basis or at all. The non-payment of accounts receivable may have an adverse impact on the Corporation's financial condition and profitability.

Increased Indebtedness

As of December 31, 2015, $978.9 million was drawn on the Corporation's credit facilities. Such degree of leverage could require the Corporation to dedicate an important part of its cash flow to making interest and capital payments on its indebtedness, which could have other important consequences for investors, including the following:

- it may limit the Corporation's ability to make investments that are important to its growth and strategies while meeting its other cash needs or obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes;
- certain of the Corporation's borrowings are at variable rates of interest and expose the Corporation to the risk of increased interest rates;
- it may limit the Corporation's ability to adjust to changing market conditions and place the Corporation at a competitive disadvantage compared to its competitors that have less debt;
- the Corporation may not be able to pay dividends on its shares; and
- the Corporation may be vulnerable in a downturn in general economic conditions.

Under the terms of the credit facilities, the Corporation is permitted to incur additional debt in certain circumstances. However, doing so could increase the risks described above. Under the Credit Facility, WSP is required, among other conditions, to respect certain covenants on a consolidated basis. The main covenants are in regard to its consolidated funded debt to consolidated earnings before adjusted EBITDA and the interest coverage ratios, which are non-IFRS measures. The consolidated funded debt includes bank overdraft, loan payable, notes payable and balances payable to former Shareholders, including their current portions, bank advances less cash and cash equivalent (other than from “excluded subsidiaries”, as defined under the terms of the credit facilities). The interest coverage ratio is defined as the ratio of (i) the consolidated earnings before extraordinary items plus total interest expense and current and deferred income taxes, to (ii) the total consolidated interest expense. Management reviews compliance with these covenants on a quarterly basis in conjunction with filing requirements under its credit facilities. All covenants have been met as at December 31, 2015.

If the Corporation is unable to obtain capital on acceptable terms in order to fund its growth strategy, the Corporation may be required to reduce the scope of its anticipated expansion, which may negatively affect its business strategy, future competitiveness and results of operations. Using internally generated cash or taking on debt to complete acquisitions could substantially limit the Corporation's operational and financial flexibility. The extent to which the Corporation will be able or willing to use its Shares for acquisitions will depend on the market value of its Shares from time to time and the willingness of potential sellers to accept its Shares as full or partial consideration. The Corporation may also be required to incur additional debt if it acquires another business, which could increase its debt repayment obligations and have a negative impact on future liquidity and profitability.

In addition, the Corporation may also be required to raise additional capital in the public market to support its strategy in the future. The availability of future financing will depend on prevailing market conditions, and the acceptability of financing terms offered. There can be no assurance that future financing will be available, or available on acceptable terms, in an amount sufficient to fund its needs, especially during periods of economic downturn.

Impairment of Goodwill

Because the Corporation has grown in part through acquisitions, goodwill and intangible assets represent a substantial portion of the Corporation’s assets. As of December 31, 2015, the Corporation had $2,734.3 million of goodwill, representing 44.3% of its total assets of $6,167.1 million. Under IFRS, the Corporation is required to test goodwill carried in its consolidated statements of financial position for possible impairment on an annual basis based upon a fair value approach. The Corporation has chosen to perform its annual impairment reviews of goodwill on September 30 of its fiscal year. The Corporation is also required to test goodwill for impairment between annual tests if events occur or circumstances change that would more likely than not reduce the fair value of a CGU below its book value, which would mean the value of the acquired assets has fallen below what the Corporation generally paid for them. These events or circumstances could include a significant change in the business climate, including a significant sustained decline in a CGU’s market value, legal factors, operating performance indicators, competition, sale or disposition of a significant portion of its business, potential government actions toward its facilities, and other factors. If the recoverable amount of a CGU is less than its carrying value, the Corporation could be required to record an impairment charge. The amount of any impairment could be significant and could have a material adverse impact on the Corporation’s financial condition and results of operations for the period in which the charge is taken.

Variability of Financial Results

The Corporation's ability to maintain and increase its revenues is affected not only by its ability to implement its business strategy, but also by a number of other factors, including:

- fluctuations in the spending patterns of the Corporation's government and commercial clients;
- the number and significance of projects executed during a quarter;
- unanticipated changes in contract performance, particularly with contracts that have funding limits;
- the timing of resolving change orders, requests for equitable adjustments, and other contract adjustments;
- delays incurred in connection with a project;
- Weather conditions that delay work at project sites;
- employee levels, holiday periods and utilization rates;
- changes in prices of services offered by competitors; and
- general economic and political conditions.

Foreign Currency Exposure

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. A significant portion of the Corporation's earnings and net assets is denominated in multiple foreign currencies, including U.S. dollar, Pound sterling, Euro, Swedish krona and Chinese Renminbi. Accordingly, fluctuations in exchange rates between the Canadian dollar and such currencies may have an adverse effect on the Corporation's results and financial condition. Future events that may significantly increase or decrease the risk of future movement in the exchange rates for these currencies cannot be predicted.

Future payments or distributions payable in a foreign currency carry the risk that the foreign currency will depreciate in value before the foreign currency payment is received and is exchanged into the Corporation’s functional currency. In situations where revenues and costs are transacted in different currencies, the Corporation sometimes enters into foreign exchange contracts in order to limit its exposure to fluctuating foreign currencies. Although the Corporation does not currently have an exchange rate risk policy that would materially affect its results of operations, it is still subject to foreign currency risk.

Taxes

The Corporation is subject to income taxes in various foreign jurisdictions. The tax legislation, regulation and interpretation that apply to our operations are continually changing. In addition, future tax benefits and liabilities are dependent on factors that are inherently uncertain and subject to change, including future earnings, future tax rates, and anticipated business mix in the various jurisdictions in which we operate. Significant judgment is required in determining required provision for income taxes and Management uses accounting and fiscal principles to determine income tax positions that it believes are likely to be sustained by applicable tax authorities. However, there is no assurance that our tax benefits or tax liability will not materially differ from our estimates or expectations. In the ordinary course of business, there are many transactions and calculations where the ultimate tax determination is uncertain. The Corporation is regularly under audit by tax authorities. It is these tax authorities that will make the final determination of the actual amounts of taxes payable or receivable, of any future tax benefits or liabilities and of income tax expense that we may ultimately recognize. Although Management believes that tax estimates and tax positions are reasonable, they could be materially affected by many factors including the final outcome of tax audits and related litigation, the introduction of new tax accounting standards, legislation, regulations, and related interpretations, the Corporation’s global mix of earnings, the realizability of deferred tax assets and changes in uncertain tax positions. Any of the above factors could have a material adverse effect on our net income or cash flows by affecting our operations and profitability, the availability of tax credits, the cost of the services we provide, and the availability of deductions for operating losses as we grow our business. An increase or decrease in the Corporation’s effective tax rate could have a material adverse impact on its financial condition and results of operations.

Underfunded Defined Benefits Obligations

The Corporation may be required to contribute additional cash to meet any underfunded benefit obligations associated with retirement and post-retirement employee benefit plans managed by the Corporation. Such contributions are generally determined by calculating the projected benefit obligations of a plan, minus the fair value of such plan assets. In the future, the Corporation's benefit plan obligations may increase or decrease depending on, among other things, changes in life expectancy, interest rates and asset performance. If the Corporation is required to contribute a significant amount to cover deficit under underfunded benefit plans, the Corporation's cash flows may be materially and adversely affected.

Changing economic conditions and demographics may result in significant increases in the Corporation's funding obligations thereby reducing the availability of such funds for other corporate purposes, which could have a material adverse effect on the Corporation's business, financial condition and results of operations.

Risks Related to the Shares

Potential Dilution

The Corporation’s articles permit the issuance of an unlimited number of shares and an unlimited number of preferred shares, issuable in series. In order to successfully complete targeted acquisitions or to fund its other activities, the Corporation may issue additional equity securities that could dilute share ownership.

Payment of Dividends

Any decisions to pay dividends on the shares is, subject to the discretion of the Board, based on, among other things, the Corporation's earnings, financial requirements for the Corporation's operations, the satisfaction of applicable solvency tests for the declaration and payment of dividends and other conditions existing from time to time, including the completion of a material acquisition by the Corporation. As a result, no assurance can be given as to whether the Corporation will declare and pay dividends in the future, or the frequency or amount of any such dividend.

22 ADDITIONAL INFORMATION

Additional information regarding the Corporation is available on our Website at www.wsp-pb.com and on SEDAR at www.sedar.com. The Annual Information Form for the year ended December 31, 2015, will be available on these websites at the end of March 2016.

The common shares of the Corporation are traded on the Toronto Stock Exchange under the symbol "WSP" As at December 31, 2015, the Corporation had 99,255,857 common shares outstanding. As at March 14, 2016, the Corporation had 99,738,764 common shares outstanding following the share issuance realized under the DRIP after the payment of the fourth quarter dividend in January 2016.

The Corporation has no other shares outstanding.

23 GLOSSARY

Net revenues

Net revenues are defined as revenues less direct costs for subconsultants and other direct expenses that are recoverable directly from the clients. Net revenues are not an IFRS measure and do not have a standardized definition within IFRS. Therefore, net revenues may not be comparable to similar measures presented by other issuers. Investors are advised that net revenues should not be construed as an alternative to revenues for the period (as determined in accordance with IFRS) as an indicator of the Corporation's performance.

Adjusted EBITDA

Adjusted EBITDA is defined as earnings before financial expenses, income tax expenses, depreciation and amortization and acquisition and reorganization costs. Adjusted EBITDA is not an IFRS measure and does not have a standardized definition within IFRS. Investors are cautioned that adjusted EBITDA should not be considered an alternative to net earnings for the period (as determined in accordance with IFRS) as an indicator of the Corporation's performance, or an alternative to cash flows from operating, financing and investing activities as a measure of the liquidity and cash flows. The Corporation's method of calculating adjusted EBITDA may differ from the methods used by other issuers and, accordingly, the Corporation's adjusted EBITDA may not be comparable to similar measures used by other issuers.

Adjusted EBITDA margin

Adjusted EBITDA margin is defined as adjusted EBITDA expressed as a percentage of net revenues. Adjusted EBITDA margin is not an IFRS measure.

Adjusted EBITDA before Global Corporate costs

Adjusted EBITDA before Global Corporate costs is defined as adjusted EBITDA excluding Global Corporate costs. Global Corporate costs are expenses and salaries related to centralized functions, such as global finance, human resources and technology teams, which are not allocated to operating segments. This measure is not an IFRS measure. It provides Management with comparability from one region to the other.

Adjusted EBITDA margin before Global Corporate costs

Adjusted EBITDA margin before Global Corporate costs is defined as adjusted EBITDA before Global Corporate costs expressed as a percentage of net revenues. Adjusted EBITDA margin before Global Corporate costs is not an IFRS measure. It provides Management with comparability from one region to the other.

Adjusted net earnings (loss) and adjusted net earnings(loss) per share

Adjusted net earnings (loss) is defined as net earnings (loss) attributable to shareholders excluding acquisition and reorganization costs and the income tax effects related to these costs. Adjusted net earnings (loss) is not an IFRS measure. It provides a comparative measure of the Corporation`s performance in a context of significant business combinations in which the Corporation may incur significant acquisition and reorganization costs which the Corporation believes should be excluded in understanding the underlying operational financial performance achieved by the Corporation.

Adjusted net earnings (loss) per share is calculated using the basic weighted average number of shares.

Adjusted net earnings (loss) excluding amortization of intangible assets related to acquisitions and adjusted net earnings (loss) excluding amortization of intangible assets related to acquisitions per share

Adjusted net earnings (loss) excluding amortization of intangible assets related to acquisitions (net of income taxes) is defined as adjusted net earnings (loss) attributable to shareholders excluding the amortization of backlogs, customer relationships, non-competition agreements and trade names accounted for in business combinations and the income tax effects related to this amortization. Adjusted net earnings (loss) excluding amortization of intangible assets related to acquisitions (net of income taxes) is not an IFRS measure. It provides a comparative measure of Corporation performance in a context of significant business combinations.

Adjusted net earnings (loss) excluding amortization of intangible assets related to acquisitions (net of income taxes) per share is calculated using the basic weighted average number of shares.

Acquisition and reorganization costs

Acquisition and reorganization costs include transaction and integration costs related to business acquisitions as well as costs of restructuring and reorganizing existing operations. In 2015, acquisition and reorganization costs included gains made on the disposal of equity investments in associates. Acquisition and reorganization costs is not an IFRS measure. Acquisition and reorganization costs are items of financial performance which the Corporation believes should be excluded in understanding the underlying operational financial performance achieved by the Corporation.

Backlog

Backlog is not an IFRS measure. It represents future revenues stemming from existing signed contracts to be completed. The Corporation's method of calculating backlog may differ from the methods used by other issuers and, accordingly, may not be comparable to similar measures used by other issuers.

Funds from operations and funds from operations per share

Funds from operations is not an IFRS measure. It provides Management and investors with a proxy for the amount of cash generated from (used in) operating activities before changes in non-cash working capital items.

Funds from operations per share is calculated using the basic weighted average number of shares.

Free cash flow and free cash flow per share

Free cash flow is not an IFRS measure. It provides a consistent and comparable measurement of discretionary cash generated by and available to the Corporation. Free cash flow is defined as cash flows from operating activities as reported in accordance with IFRS, plus discretionary cash generated by the Corporation from other activities, less net capital expenditures.

Free cash flow per share is calculated using the basic weighted average number of shares.

Days Sales Outstanding ("DSO")

DSO is not an IFRS measure. It represents the average number of days to convert our trade receivables and costs and anticipated profits in excess of billings into cash, net of sales taxes. The Corporation's method of calculating DSO may differ from the methods used by other issuers and, accordingly, may not be comparable to similar measures used by other issuers.

Net Debt to adjusted EBITDA

Net Debt to adjusted EBITDA is not an IFRS measure. It is a measure of our level of financial leverage net of our cash and is calculated on our trailing twelve month adjusted EBITDA.